

Marvin T. George, Four Oaks.
 Thomas W. Porter, Franklin.
 Ernest W. Ewbank, Hendersonville.
 Wayne A. Mitchell, Kinston.
 Euna B. McBride, Marshville.
 Gillam Craig, Monroe.
 Raymond R. Eagle, New Bern.
 Robert N. Stansill, Rockingham.
 Elias Carr Speight, Rocky Mount.
 William J. Butler, St. Pauls.
 P. Frank Buchan, Southern Pines.
 John A. Davis, Waxhaw.

PENNSYLVANIA

Arthur Rabb, Bloomsburg.
 Joseph W. Manon, Charleroi.
 Charles G. Melcher, Conneautville.
 Laura M. Clark, Connellsville.
 Warren Hoffman, Denver.
 Henry C. Schultz, Easton.
 Clara B. Dunmire, Foxburg.
 Claude O. Meckley, Hanover.
 Clarence R. Baker, Hollsopple.
 Marjorie L. Samson, Lake Ariel.
 Paul Q. Barclay, Punxsutawney.
 James W. Wagaman, Quincy.
 W. DeLancey Rinehardt, York.

VIRGINIA

Mabel C. Crockett, Bishop.
 Cornelia L. Patton, Clinchco.

HOUSE OF REPRESENTATIVES

TUESDAY, JUNE 13, 1939

The House met at 12 o'clock noon.

The Rev. Walter M. Michael, D. D., pastor of the Eldbrooke Methodist Church, of Washington, D. C., offered the following prayer:

We are very humble, our Father, as we wait before Thee, for we are always conscious of our infirmities and mindful that we are created from the dust of the earth.

But Thou art the Eternal One of Israel, and Thou art our Father and our God. May Thy reviving breath of eternity be breathed upon us anew this day as we declare our allegiance to Thee.

Temper our thoughts with justice, our impulses with love and good will, and may the beauty of the Lord our God be upon us, and establish Thou the work of our hands upon us. Yea, the work of our hands, our hearts, and our minds, establish Thou it.

In our Redeemer's name we ask it. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 6392. An act making appropriations for the Departments of State and Justice, and for the judiciary, and for the Department of Commerce, for the fiscal year ending June 30, 1940, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. McKELLAR, Mr. RUSSELL, Mr. McCARRAN, Mr. BANKHEAD, Mr. PITTMAN, Mr. LODGE, and Mr. BRIDGES to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4218) entitled "An act making appropri-

tions for the legislative branch of the Government for the fiscal year ending June 30, 1940, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 2154. An act to modify the provisions of section 14 of the act of June 30, 1834, and section 10 of the act of June 22, 1874, relating to the Indians.

The message also announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 6109. An act to extend the times for commencing and completing the construction of a bridge across the Niagara River at or near the city of Niagara Falls, N. Y.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 5427) entitled "An act making appropriations for the Labor Department for the fiscal year ending June 30, 1940, and for other purposes."

The message also announced that the Senate disagrees to the amendment of the House to the bill (S. 1886) entitled "An act to extend to June 16, 1942, the period within which certain loans to executive officers of member banks of the Federal Reserve System may be renewed or extended," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. GLASS, Mr. BYRNES, and Mr. TOWNSEND to be the conferees on the part of the Senate.

CERTIFICATE OF ELECTION OF HON. DAVID J. WARD

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

JUNE 13, 1939.

The SPEAKER,

House of Representatives, Washington, D. C.

DEAR SIR: The certificate of election, in due form of law, of Hon. DAVID J. WARD as a Representative-elect to the Seventy-sixth Congress from the First Congressional District of the State of Maryland, to fill the vacancy caused by the resignation of Hon. T. Alan Goldsborough, is on file in this office.

Very truly yours,

SOUTH TRIMBLE,

Clerk of the House of Representatives.

The SPEAKER. The Member-elect will present himself to the bar of the House.

Mr. WARD appeared at the bar of the House and took the oath of office.

APPROPRIATION BILL FOR DEPARTMENTS OF STATE AND JUSTICE AND FOR THE JUDICIARY AND FOR THE DEPARTMENT OF COMMERCE—1940

Mr. THOMAS S. McMILLAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6392) making appropriations for the Departments of State and Justice and for the judiciary, and for the Department of Commerce for the fiscal year ending June 30, 1940, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina [Mr. THOMAS S. McMILLAN]?

There was no objection; and the Chair appointed the following conferees: Mr. THOMAS S. McMILLAN, Mr. MCANDREWS, Mr. RABAUT, Mr. CALDWELL, Mr. KERR, Mr. CARTER, and Mr. STEFAN.

EXTENSION OF REMARKS

Mr. CROWE. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a report of the General Anthony Wayne Memorial Commission, which met in Washington, D. C., on May 17, 1939. Having been elected chairman of that commission, I desire to have this made a matter of record.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. CROWE]?

There was no objection.

APPROPRIATION FOR FARM SECURITY ADMINISTRATION

Mr. LEAVY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my own remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Washington [Mr. LEAVY]?

There was no objection.

Mr. LEAVY. Mr. Speaker, we will soon be called upon to vote on an appropriation for the Farm Security Administration for the coming fiscal year. For that reason, I would like to direct the attention of the House for a few minutes to the importance of the work of that agency, not only to my State, but to the Nation.

Many of you gentlemen from other parts of the country perhaps have not recognized the problem which faces the Nation—and I say the Nation advisedly—in the migration of good American farm families from the Great Plains and Southern States to the west coast and the Northwest.

PEOPLE STILL HEAD WESTWARD

In the past few years, hundreds of thousands of Americans who belonged to more or less typical farm families have been uprooted from their midwestern or southern farms by drought or growing mechanization of agriculture. Following the historic American tradition, they have headed west.

Hundreds of thousands of these people are now roving the highways of the west coast States in search of a new chance to make a living. Many of them are living in roadside camps under unbelievable conditions, without decent shelter, sanitation, or other minimum essentials for a decent existence.

Most of them are entirely dependent upon occasional work in the seasonal agricultural industries of the west coast States, but for every job there are usually many applicants. Recent studies have indicated these families exist on average yearly incomes ranging downward from \$400, out of which they must buy gasoline and repairs for their junk heap automobiles, which constitute their only means of transportation to that work which is available.

SPLENDID WORK BY FARM SECURITY ADMINISTRATION

This problem is merely the outgrowth of Nation-wide and world-wide conditions. Our farm land is crowded. City unemployment has stopped the normal flow of the surplus farm population to industrial centers.

Those migrants on the west coast have already been shoved off the land. Thousands of other farm families are on the verge of joining them.

The Roosevelt administration has attempted to meet this broad problem in many ways. But the agency most directly concerned—the agency which is tackling this problem both at its roots, and at the scene of the outcroppings on the west coast—is the Farm Security Administration.

It has invested millions of dollars in a broad, intelligent program to provide these marginal farmers with a new start in their own States, to keep them from joining the hopeless and desperate migrants already crowding into the far West. Hundreds of thousands of families, most of which would be dependent upon relief in one form or another, are being successfully rehabilitated in this way.

WISE USE OF FEDERAL FUNDS

To my mind, this is one of the most humane, as well as financially sound, purposes for which Federal money has been used in recent years.

The rehabilitation program is Nation-wide. In my State, it has operated to help 3,846 farmers since the beginning of the program in 1935. A survey, covering almost 2,400 of these families, last December, showed that they had increased their net worth—over and above all debts—by \$828,000, or almost \$350 per family.

One of the most striking things about the program in all parts of the country is the way in which it has operated to make farmers more self-sufficient and less dependent upon their cash income. As an example, the F. S. A. borrowers in my State have increased their annual production of home-canned food by 262 quarts per family. They are producing

for home consumption almost a million gallons of milk a year more than before they obtained loans.

The Farm Security Administration's field workers reported they knew of almost 3,000 additional families in need of similar help, and eligible for it, who had been unable to get loans because of lack of funds. I would like to see the funds made available.

That is how the Farm Security Administration is attacking the problem at its source, before the families are forced on to the road. Now a word about how it is handling the problem of those migrants who are already on the road.

BUILDING ON SOUND BASIS

The first and most urgent need is decent shelter with at least a minimum of sanitary facilities. The F. S. A. is providing this shelter in the areas where it is most needed by putting up inexpensive camps, where these wandering families can get some of the essentials of life, instead of camping alongside drainage ditches.

The next step is the provision of small homes, with little plots of ground, where a few of the families can locate more or less permanently, growing their own food to supplement their income from seasonal work in the area.

But the F. S. A. also is shaping its general rehabilitation program to provide a new start, on permanent and sound lines, for some of these families. Its activities in this direction, however, are limited by the money available and the land available.

HELPED 2,500 FAMILIES IN NORTHWEST

Despite these handicaps, the F. S. A. has helped about 2,500 of these families from the drought States to get started again on new farms in the three Northwest States. A thousand of these families have been helped to settle in my State of Washington. Almost 900 were helped to begin farming again in Oregon, while 550 found new homes in Idaho.

Here is a place where idle men and idle money can be combined to the advantage of the families involved, the States involved, and the entire Nation. Any other method of handling the problem will cost the Treasury more money in the long run; and I know of no other sound solution which has been advanced for the problem. [Applause.]

EXTENSION OF REMARKS

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the Appendix of the RECORD and to include a short item by the International News Service.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. ENGEL]?

There was no objection.

Mr. McDOWELL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a statement by the Governor of Pennsylvania on Flag Day. May I advise the House that Flag Day is tomorrow, the one hundred and sixty-second anniversary of the birth of the flag, and I shall speak under permission already granted.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. McDOWELL]?

There was no objection.

Mr. DIRKSEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DIRKSEN]?

There was no objection.

Mr. DOUGLAS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an article from the New York Herald Tribune by Charles Morris Mills.

The SPEAKER. Is there objection to the request of the gentleman from New York [Mr. DOUGLAS]?

There was no objection.

Mr. KUNKEL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include parts of a speech I made at the dedication of the Palmyra post office on May 27.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania [Mr. KUNKEL]?

There was no objection.

Mr. MAPES. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an editorial by Raymond Moley in the Newsweek of June 12.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. MAPES]?

There was no objection.

AMENDMENT OF THE WAGNER ACT

Mr. RICH. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I ask unanimous consent to insert in the RECORD an article from Social Justice of June 12.

Mr. RANKIN. Reserving the right to object, Mr. Speaker, who publishes Social Justice?

Mr. RICH. I presume that paper is published by Father Coughlin.

Mr. RANKIN. That is on the Townsend plan?

Mr. RICH. It does not refer to the Townsend plan, but I shall tell you what it does refer to.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. RICH. Mr. Speaker, I call attention to the fact that the Pennsylvania Legislature has passed a bill prohibiting union violence and the article to which I have referred will be placed in the RECORD.

If you want to get this country on its feet you will have to change the Wagner Act and the National Labor Relations Board. This Congress should not adjourn by any means until the law is changed so that the employer and the employee have the same rights in industry. When you do that you will help the employers and the employees of this country. [Applause.]

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I desire to call the attention of the House to the fact that the National Labor Relations Board is very successfully conducting a filibuster before the House Labor Committee, and it is quite evident that unless the House takes some action we will get no opportunity to amend the Wagner Act at this session.

EXTENSION OF REMARKS

Mr. HILL. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein an article from Life entitled "America's Future."

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

AMENDMENT OF THE WAGNER ACT

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I just want to say that if everybody could be sure that all the people who talk about amending the Wagner Act were really sincere in wanting to make that act work in a perfect way and really give protection to labor, it would be a much simpler matter; but the difficulty is that some of us have a horrible suspicion that some of those who talk about amending the act really mean that they want to destroy it.

Mr. HOFFMAN and Mr. RICH rose.

Mr. VOORHIS of California. I yield to the gentleman from Michigan.

Mr. HOFFMAN. Why does not the gentleman go to some of the hearings where we are proposing our amendments?

Mr. VOORHIS of California. I have been to some of them.

Mr. HOFFMAN. And judge the amendments by what is contained in them.

Mr. VOORHIS of California. I may say to the gentleman that I am not necessarily opposed to amending the act, providing it is not weakened or wrecked.

Mr. RICH. If the gentleman will yield, I wish to say I am just as sincere about desiring to amend the act as is the gentleman or anybody else.

TENNESSEE VALLEY AUTHORITY

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks in the RECORD and to insert therein a brief résumé of explanation of the proposed amendments to the Tennessee Valley Authority bill.

Mr. SHAFER of Michigan. Mr. Speaker, I object. It was stated at the time the agreement was made the other day that there would be no permission granted to extend 1-minute speeches.

Mr. RAYBURN. They may be extended in the Appendix of the RECORD.

Mr. SHAFER of Michigan. Is this to go in the Appendix of the RECORD?

Mr. RAYBURN. Certainly.

Mr. RANKIN. I will put the entire speech in the Appendix of the RECORD, and I ask, Mr. Speaker, that it may appear in the Appendix of the RECORD.

Mr. SHAFER of Michigan. If it is to go in the Appendix of the RECORD, I have no objection.

The SPEAKER. The Chair hears no objection.

All these 1-minute speeches will go in the Appendix of the RECORD under the agreement if permission to extend them is granted by the House, unless they relate to pending legislation.

AMENDMENT OF THE TENNESSEE VALLEY AUTHORITY ACT

Mr. SABATH. Mr. Speaker, I call up House Resolution 219 for immediate consideration.

The Clerk read as follows:

House Resolution 219

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of S. 1796, an act to amend the Tennessee Valley Authority Act of 1933, and all points of order against said bill are hereby waived. That after general debate, which shall be confined to the bill and continued not to exceed 4 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Military Affairs, the bill shall be read for amendment under the 5-minute rule. It shall be in order to consider without the intervention of any point of order the substitute committee amendment recommended by the Committee on Military Affairs now in the bill, and such substitute for the purpose of amendment shall be considered under the 5-minute rule as an original bill. At the conclusion of such consideration the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and any Member may demand a separate vote in the House on any of the amendments adopted in the Committee of the Whole to the bill or committee substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

Mr. RANKIN. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. RANKIN. As I understand the situation now, the entire Senate bill has been stricken out and the House bill inserted as an amendment, so at the completion of the consideration under the 5-minute rule the vote will come on adopting the House bill as an amendment. If that is voted down, then the Senate bill will be before the House for a vote.

The SPEAKER. As the Chair understands the parliamentary situation, under the rule the House substitute amendment for the Senate bill will be considered by sections as an original bill, open to germane amendment. At the conclusion of the reading for amendment the question will be put on agreeing to the substitute, or the substitute as amended, for the Senate bill.

Mr. RANKIN. If that is voted down, as I understand it, the original Senate bill will be before the House.

The SPEAKER. If the committee substitute amendment is voted down, that will leave the Senate bill before the Committee of the Whole for consideration.

Mr. SABATH. May I ask the gentlemen on the other side if they desire any time on the rule?

Mr. TAYLOR of Tennessee. Yes; we desire all of our time on the rule.

Mr. SABATH. Then, Mr. Speaker, I yield the gentleman 30 minutes.

Mr. Speaker, this resolution makes in order the T. V. A. bill, as has been stated, and provides for 4 hours of general debate. It is a broad and liberal rule. After 4 hours of general debate the bill will be taken up under the 5-minute rule and the House substitute for the Senate bill considered.

I do not believe there should be any opposition to immediate action on this legislation. Some of the Members on my left will charge hasty action on the part of the Rules Committee, but it should be remembered that this bill has been before the Committee on Military Affairs for many, many weeks, and has received studied consideration. The fact is that if the intent of Congress is to be carried out, and the properties of the various power companies acquired, we must act today, as the agreements provide that such acquisitions must be concluded by June 20. Consequently, expeditious action is necessary. Still, there is provided 4 hours for general debate, during which time any Member who has not familiarized himself with the bill and the report will have ample opportunity to have it explained to him.

There is no opposition to the principle of acquiring these properties, except that which is confined to a few Members such as the chairman of the Committee on Military Affairs [Mr. MAY], who admits his active opposition to the entire T. V. A. project on the grounds that it represents Government competition with private industry. A question now raised is with regard to the issuance of bonds, it being contended that authority for issuance of \$100,000,000 worth of bonds should not be given. In that connection we should remember that in 1935 Congress authorized issuance of bonds in that amount and, notwithstanding such authorization, the T. V. A., being exceptionally efficient and careful in its administration, has not utilized the power granted it and has not expended any of this sum of money. I know we can have the same faith in those who govern T. V. A. policies now as we had in them before. I have never had the pleasure of meeting Mr. Lilienthal or any of the other T. V. A. commissioners, but I have followed their work, and my opinion of them is that they have rendered excellent service to the Government and the people. We need not worry that they will engage in wanton issuance of bonds and expenditures of money now. I am satisfied that only the money absolutely essential for the purchase of the properties in question will be raised through issuance of bonds, and I am certain that, if \$65,000,000 will suffice, no larger amount will be expended.

There is no question about the Government getting the best of the deal in acquiring the properties. That is indeed unusual, as we all know the Government generally gets the worst of a deal. I might even feel sorry for Mr. Willkie, president of the Commonwealth & Southern, were it not that he is known as a shrewd and resourceful businessman. It just works out that both sides are satisfied.

The T. V. A. is a splendid monument to this administration. It has efficiently and honestly made possible cheaper power and electricity to large and small users, and is a living lie to the charge that Government cannot successfully operate paying enterprises.

How anyone can oppose the principles of the T. V. A. is beyond me, especially after the lessons we learned from Insull and Hopson. I believe the country is indebted to President Roosevelt, Senator Norris, and Congressman Rankin for the splendid public service they are rendering in fighting to make T. V. A. a success.

Mr. RANKIN, Mr. CHANDLER, and Mr. SPARKMAN, and many others as well, can and will explain this measure to you in detail, and point out that the restrictive provision in the House bill would hamstring the T. V. A.

As I stated, there will be 4 hours of general debate, so I will not take up longer of your time. In concluding let me say that there should be no opposition to the rule or the legislation. If we have any differences with respect to the bill itself, they can be thrashed out in the House when the bill is considered under the 5-minute rule. I hope that we may conclude consideration of the bill and pass it today. [Applause.]

Mr. Speaker, I reserve the balance of my time.

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 10 minutes to the gentleman from Michigan [Mr. MAPES].

Mr. MAPES. Mr. Speaker, I shall not oppose this rule, although I voted against it in committee. I accept, as far as I am concerned, the apology of the distinguished chairman of the committee for the action of the committee in reporting it.

Everyone recognizes the importance of this legislation. The decks have been cleared by the powers that be for the consideration of it today, but in order to make the record complete I wish to call attention to some of the facts relative to it which were brought out at the hearings of the Rules Committee yesterday afternoon before reporting out this rule.

The committee voted to report the rule at about 5:30 or a little after that time yesterday afternoon. At that time the committee substitute had not been printed; as a matter of fact, the members of the Committee on Military Affairs had not seen a completed draft of the committee substitute. Every member of the Committee on Military Affairs who appeared before the Rules Committee said frankly to the committee that he did not know what was in the committee substitute in its entirety. I am not sure, but from what took place I think I am correct in saying that the stenographic draft of the committee substitute was handed to the chairman of the Committee on Military Affairs for the first time during his appearance before the Committee on Rules some time between the hours of 3:30 and 5:30 p. m. It was stated to the Committee on Rules that the Committee on Military Affairs started consideration of this bill early in May, that the hearings are not yet printed, that they were not available even to the members of the Committee on Military Affairs. The House yesterday gave permission to the Committee on Military Affairs to file its report at any time before 12 o'clock last night, and the same permission was given to the Committee on Rules to file a rule making the legislation in order. The distinguished chairman of the Committee on Military Affairs stated in open hearings before the Committee on Rules, so that I am not revealing any information that was not public, and I quote from the memorandum that I made at the time:

I do not know that I can get the bill or report ready before tomorrow.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I yield to my distinguished chairman.

Mr. SABATH. The gentleman states that unanimous consent was given for the filing of the report as well as the rule itself before 12 o'clock midnight. Inasmuch as it was the unanimous consent of the House, which shows that the House unanimously agreed to it, I really do not see why the gentleman at this time should find fault with or object to the unanimous consent.

Mr. MAPES. Mr. Speaker, I may say to the distinguished chairman of the committee that I am not finding any fault about that. I am merely stating the facts. I may say to the gentleman from Illinois, however, that that unanimous consent was granted when he and I were not present but

when we were in the Committee on Rules. I may say also that I do not know that I would have objected if I had been present, because I realize the importance of this legislation, and of an early consideration of it, but it is a shame that the Members of this House should not have an opportunity to consider it deliberately, to study the committee substitute, to examine the hearings and the report of the committee, so as to be able to form an intelligent judgment on its merits.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. MAPES. I have said all that I care to say. I yield to the gentleman from Kentucky.

Mr. MAY. Mr. Speaker, the House Military Affairs Committee appreciates very much the consideration given by the Committee on Rules and by the House in granting permission until midnight to file a report. The entire office force of the Committee on Military Affairs worked until late at night and the report came in printed at 12 o'clock today, too late to bring it to the House floor. The hearings are not yet printed and I apologize to the gentleman and to the House for not having those available. We have done the best we could. Many of the manuscripts sent out to the T. V. A. witnesses were not returned until 12 o'clock yesterday.

Mr. MAPES. Mr. Speaker, I think I owe it to the chairman of the Committee on Military Affairs to say that from such examination as I have been able to make of the report, I think he did a wonderful job in the short time he had to prepare the report and get it filed in time to be printed before calling up the legislation this afternoon.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield myself 10 minutes. I find myself in a rather anomalous position on this occasion. As a member of the Committee on Rules, I voted to report out this bill, but as a member of the House of Representatives I shall vote against the bill as it has been amended by the Military Affairs Committee. During my entire membership in this body I have been supporting some phase of legislation for the development of the Tennessee River. With the exception of the distinguished gentleman from Mississippi [Mr. RANKIN] I doubt if any other Member of this body has made as many speeches on the subject of Muscle Shoals and the T. V. A. as I have made. Of course we all know that the gentleman from Mississippi [JOHN RANKIN] eats kilowatts, drinks kilowatts, and sleeps with kilowatts. I am opposed to this bill for various reasons. I am opposed to that provision of the bill which undertakes to circumscribe the activities of the T. V. A., and instead of using the word "circumscribe" I might with propriety use the word "circumvent."

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Tennessee. Yes.

Mr. SABATH. When the gentleman states that he is opposed to the bill, I take it that he is not opposed to considering this needed legislation today?

Mr. TAYLOR of Tennessee. Certainly not. I mean I am opposed to the committee amendment of the Senate bill as reported by the Committee on Military Affairs.

Mr. SABATH. But not to the rule making it in order?

Mr. TAYLOR of Tennessee. I am not opposed to the rule. I voted to report it out, as the gentleman should know as chairman of the Rules Committee.

Mr. PEARSON. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Tennessee. Yes.

Mr. PEARSON. In the event that the House in its wisdom should vote down the amendment offered to this bill in the Committee on Military Affairs, would not the bill then be acceptable to the gentleman?

Mr. TAYLOR of Tennessee. Yes. That is the parliamentary situation. It would be satisfactory to me. As I stated a moment ago, I am opposed to the provision which undertakes to circumscribe the activities of the T. V. A. I would not oppose the provision except that it seems to me to be entirely too arbitrary.

I am also opposed to the provision which requires the T. V. A. to issue these bonds on their own credit and responsibility, because that is an innovation. In all similar legislation which we have passed we provided that such bonds as this be underwritten and guaranteed by the Government, because such a provision naturally gives the bonds a decided advantage on the bond market.

I am not so much opposed to the sinking-fund provision of the bill, because I think that is a very good suggestion—that there be set up a sinking fund to retire these bonds at their maturity.

The thing about the bill to which I am most violently opposed is section 3, which undertakes to inhibit the Tennessee Valley Authority from the payment of any taxes by way of appeasement or replacement to the counties, municipalities, and the State of Tennessee. Of course, the only way the T. V. A. could reimburse those communities would be by an act of Congress, because otherwise the property owned by the Government, as is the T. V. A., is exempt from taxation.

I introduced a bill in the Seventy-fourth Congress which provided that the counties in Tennessee which have lost tax values as the result of the construction of various dams, and particularly the Norris Dam, because the Norris Dam happens to be in my congressional district, shall be reimbursed to the extent of their outstanding bonding and floating indebtedness. I was never able to get any action on that bill, but I think every Member of this body will concede that there is merit in such a proposition as that. I take the position that any property or any activity operated by the Government in competition with private enterprise, any property that is employed commercially by the Government, ought to be subject to taxation. I take the position that it is manifestly unfair to private enterprise to allow the Government to engage in competition with them free from taxation.

If this bill passes in its present form the State of Tennessee and the counties and municipalities in Tennessee will lose in tax values approximately \$3,500,000. The gentleman from Kentucky [Mr. MAY] proposed a tax amendment to this bill which would have required the Tennessee Valley Authority to pay taxes to municipalities, counties, and to the State on the properties which they have acquired in this proposed purchase, and also on real estate that has been inundated by the various dams that have been constructed in Tennessee. In my opinion, Mr. MAY's proposal possessed a great deal of merit, but it was voted down.

I understand the directors of the Tennessee Valley Authority have been making a study to work out some sort of tax formula that will be satisfactory to the counties, the municipalities, and the State of Tennessee. Of course, under the terms of this bill, by section 3, they are absolutely barred and inhibited from making any "appeasements," as they say over in Europe, to those counties, to those municipalities, and to the State.

My friends, we have counties in Tennessee which, as a result of the erection of dams, have lost all the way from 15 to 60 percent of their tax values. Meigs County, for instance, due to the construction of the Chickamauga Dam, has been inundated to the extent that it lost more than 60 percent of its tax value.

Mr. MAY. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield.

Mr. MAY. How many counties in the gentleman's district have been practically inundated; that is, the valuable land?

Mr. TAYLOR of Tennessee. None of the counties have been entirely inundated. For instance, Campbell County, in which I live, I think we have lost tax values to the extent of about 15 percent. Anderson County has lost about 20 percent. Union County, the county in which I first saw the light of day, has lost 45 percent, as I understand it. Claiborne County has lost something like 15 percent.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield.

Mr. SABATH. Is it not a fact that this will eliminate overflow and damage that has existed from year to year, to more than offset the tax value lost?

Mr. TAYLOR of Tennessee. Oh, to a certain extent it will contribute to that end, but not commensurate with the loss values resulting from this proposed purchase and from the inundation of land.

Mr. MOTT. Mr. Speaker, will the gentleman yield?

Mr. TAYLOR of Tennessee. I yield.

Mr. MOTT. I am very much interested in what the gentleman has said in regard to tax-loss reimbursements by the Government. Would the gentleman be in favor of making his proposal a general one, so that whenever the Government took away property in any State, took it off the tax rolls, the Government should be obligated to reimburse the county or State or community for the tax loss so sustained?

Mr. TAYLOR of Tennessee. I do not think that principle would hold good in cases of Federal buildings, public parks, and forest reserves, because they are not used in competition with private enterprise.

Mr. MOTT. May I give the gentleman a brief example of what I have in mind: During the World War the Federal Government purchased a sawmill in Lincoln County, Oreg., one of the largest mills in the State. With that mill it also purchased an amount of valuable standing timber in that county—in fact, most of it. They took it all off the tax rolls and for a number of years operated the sawmill. Then the Government sold it to a private operator with the condition that that should be tax exempt forever. Does the gentleman think that in that kind of case the Government should reimburse the State?

Mr. TAYLOR of Tennessee. I do not see how the Government could sell property to a private individual and make it tax exempt. I think that is an injustice if the gentleman is accurate in his statement.

Mr. MOTT. When we presented that to the War Department they turned it down flat.

Mr. TAYLOR of Tennessee. In conclusion, Mr. Speaker, while I do not wish to impute bad faith to anyone, however, it does seem to me that this amendment to the Senate bill has the appearance of being designed to hamstring and hogtie the T. V. A. There is a human side to this proposition, Mr. Speaker. If this bill is not passed, it means the early collapse and liquidation of the Tennessee Electric Power Co., with the attendant loss of millions to thousands of innocent stockholders in that corporation, many of whom are widows. I think this feature should have an appeal to the hearts and consciences of the membership of this great body. [Applause.]

The SPEAKER. The time of the gentleman from Tennessee [Mr. TAYLOR] has expired. [Applause.]

Mr. TAYLOR of Tennessee. Mr. Speaker, I yield 10 minutes to the gentleman from Illinois [Mr. DIRKSEN].

Mr. DIRKSEN. Mr. Speaker, let me demonstrate by documented proof that the gentleman from Mississippi is wrong and that there is something more to this than the acquisition of the Willkie properties down in the Tennessee Valley area.

We had a bill before this House reported by the Ways and Means Committee to raise the long-term debt limit. It went to the Senate on the 1st of June. They added in the Senate what is known as the Norris amendment, and from the Norris amendment I read the following language:

To obtain funds for the construction or acquisition of dams with appurtenant facilities, generating plants, transmission lines, rural distribution lines, and other electric facility properties as authorized by this act, including the purchase of electric utility properties of the Tennessee Electric Power Co., and for the purpose of carrying out the provisions of section 12 (a) of this act.

It does not stop there, however; it goes infinitely further. Let me prove by the Senator who introduced it that it goes further. He was asked, on page 6485 of the CONGRESSIONAL RECORD:

Is the pending amendment confined to an authorization for the one contract, or does it go beyond that?

It goes beyond that.

Is the one contract the extent of the emergency?

Yes.

Would the Senator object to confining his amendment to the emergency?

I should not want to do that because we should have to do the same thing over again.

Oh, yes; there is more here than meets the eye. Now, let us get the factual picture before us. Here is the audit of the Tennessee Valley Authority, which is the last audit of Lybrand, Ross Bros., and Montgomery, certified public accountants, showing that we have invested there now \$278,000,000, including the appropriation for the fiscal year 1940. When we get all through, the over-all expense will be in excess of \$505,000,000. When generating power you have got to have transmission lines. If you cannot buy lines you can probably go in and threaten the owners of existing lines and finally beat down the price and get them at your own price, and that shows to you what was done.

We have up to June 30, 1928, \$21,268,000 T. V. A. funds invested in transmission lines. We gave them another \$6,300,000 in 1939. We gave them another \$6,964,000 for 1940; so we have about \$50,000,000 in authorized transmission lines not counting what is provided for in this bill.

The money appropriated by the committee is ample for the purpose in mind, but, as the Senator said, they want to go further and expand their activity everywhere.

We are up against a matter of policy as to whether or not we should go ahead and permit that expansion without the T. V. A. coming back and getting the sanction of the Congress. First of all, let me say that power rates go down regardless of the T. V. A. They are not the only ones that provide cheap power.

On page 1776 of the hearings held in connection with the independent offices bill for 1940, Mr. Krug, engineer for the T. V. A., made this answer in response to a question asked by the gentleman from Kansas [Mr. Houston]:

There have been general reductions in electric rates for a period of years, going back before the Tennessee Valley Authority, but the rate reductions were accelerated beginning in 1933. The factors involved are numerous. The Tennessee Valley Authority, I am sure, is one of them, and just how important it was at the moment is a matter of conjecture.

Mr. Speaker, power rates have been going down, and it is not due to the Tennessee Valley Authority, as their own engineer testified. I am rather opposed to giving the T. V. A. any authority. I think it ought to be limited as it has been limited in the House bill, for if we give them unlimited authority I do not know what the end will be. But in connection with that let us see whether we are up against a matter of public policy. On the 15th of May Mr. Paul Mallon, in his syndicated column published in the Washington Herald, spoke about an Associated Press dispatch that mentions the idea of getting \$600,000,000 from Congress for starting to duplicate existing power facilities in industrial areas as a national-defense measure. He stated also that the War Department cooled off on the idea. He ascribes the original thought to Messrs. Corcoran and Cohen. But the idea is still down at the other end of the Avenue, and if you approve the Senate proposal now pending on the Speaker's desk waiting to go to conference if nobody objects, and there has been objection, we will open the door for a broad national policy that will mean the expenditure of hundreds of millions of dollars ultimately, in my judgment, in acquiring these lines and in projecting the Government into the power business.

Mr. SABATH. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Illinois.

Mr. SABATH. Is it not a fact that the Congress authorized the issuance of \$100,000,000 of bonds in the act of 1933?

Mr. DIRKSEN. Oh, yes.

Mr. SABATH. But none of those bonds have been issued as yet?

Mr. DIRKSEN. No.

Mr. SABATH. And those were for these properties?

Mr. DIRKSEN. That is right. But we have a very specific purpose before us today that we did not have in 1933.

When we go into the power business let us look at the taxation item that was mentioned by the gentleman from Tennessee. Here is a clipping from the Knoxville Journal that came to my desk sometime ago. The county judge and the

trustees of every county in Tennessee have asked that provision be made whereby the taxpayers of Tennessee may be reimbursed to the extent of three and one-half million dollars because of displacement by the Tennessee Valley Authority.

The same thing is contained in a statement that has been gotten out by the Tennessee Taxpayers' Association. They believe that Uncle Sam ought to pay. They believe that after putting \$505,000,000 or thereabouts into that area by 1942 the rest of the States and the rest of the taxpayers should now come along and bail them out because the Tennessee Valley Authority has acquired certain property and three and one-half million dollars of annual revenues to the cities, counties, and the State of Tennessee will go over the dam. If there is anyone from the other States who is willing to shoulder this burden, well and good, but I believe it is inequitable and unfair to ask the taxpayers of the other States to pay for the tax loss after we have made such an investment in those States down there.

Mr. DONDERO. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Michigan.

Mr. DONDERO. That one item alone is a part of the basis for the deceptive yardstick that has been held up to the American public as to why they can generate power cheaper when they use Government money?

Mr. DIRKSEN. When the Governor of Tennessee appeared before the Deficiency Committee and testified in connection with the W. P. A., I sat there when they asked him the question whether there was a loss. He said there was a loss of one million dollars to the State and two and a half million dollars to the local political subdivisions thereof, a total of three and one-half million dollars. Now we should reach into the Treasury and reimburse them after the beneficence and generosity of the Government in installing that plant.

Mr. PEARSON. Will the gentleman yield?

Mr. DIRKSEN. I yield to the gentleman from Tennessee.

Mr. PEARSON. May I call the gentleman's attention to the fact that if the amendment to the act as reported by the House Committee on Military Affairs is not agreed to, the Tennessee Valley Authority will then have the power, by virtue of the rates which it charges for the power, to adjust the tax problem. The consumers of the power themselves will pay the load and Uncle Sam will not be charged with the responsibility of reimbursing them by paying one dollar of the lost taxes.

Mr. DIRKSEN. The consumers ought to carry the load in all equity and conscience.

Mr. PEARSON. If the gentleman will go along with us and strike out that amendment, then the consumers of the power can pay the tax loss.

Mr. DIRKSEN. I am afraid my friend and I do not see eye to eye on that matter. I am not very much enamored over this whole problem anyway. Just to show you how this will work out, may I say that it is just about 30 years ago, in 1910, that the so-called Canadian Hydro in the Province of Ontario was only serving seven municipalities. Since that time it has grown until now it is providing 85 percent of the power. Now, you would think that is a great thing for the consumers and everybody else, but if you will bother to look at some of the figures in connection with Canadian Hydro, you will find they are running a loss which aggregated \$2,000,000 in 1932, four and two-tenths million dollars, as I remember, in 1934, and they have quite a considerable debt load up there after 30 years of operation and 85 percent of the field in which to work.

Are you willing to shunt Uncle Sam into the power business without any limitation or restriction so that he will go into other States and finally the load will come back upon the taxpayers in the other States of the Union? I am not willing to do so, and I hope the bill brought in by the committee will be passed. [Applause.]

Mr. SABATH. Mr. Speaker, I yield 7 minutes to the gentleman from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. Speaker, I have frequently heard the gentleman from Illinois, who has just preceded me, say that the devil could quote Scripture to prove his own case.

That is exactly what the gentleman has done in referring to the debates in the Senate and quoting Senator NORRIS. Had he simply turned the page, he would have seen that Senator NORRIS explained what he meant by saying that it went beyond that one contract, that there were negotiations pending at the present time for the purchase of certain properties in northern Alabama and northern Mississippi, and that is all that was mentioned as to the extent to which this provision would be extended.

I want to read to you right in the beginning of my short statement the recommendation of the minority members of the joint committee investigating the T. V. A. This is the recommendation they made:

We are of the opinion that if and when the Federal Government considers it advisable to establish publicly owned power facilities in localities already served by private companies, the Federal Government, in order to avoid duplication of such service, should purchase the properties involved at a fair price, determined either by negotiation, arbitration, or condemnation.

What is proposed to be done by this so-called Norris amendment is exactly carrying out that recommendation. It is to purchase the properties of the Tennessee Electric Power Co. Not one dime of additional bond-issuing authority was sought to be given to the T. V. A. The T. V. A. now under authorization of Congress has the power to issue a total of \$100,000,000 in bonds. It was felt that it was necessary to obtain some additional legislation in order to make it possible to buy certain generating plants and to buy one over on a tributary of the Cumberland River, which is not a tributary of the Tennessee River. Had it not been for that deficiency in the present law, this deal could have gone through without any additional legislation.

I wish to say here that as far as the purchase of the properties in northern Alabama and northern Mississippi is concerned, that can go through under the authorization in the act at the present time, and no additional authorization is required.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman from Mississippi.

Mr. RANKIN. And they are the only additional purchases to which the gentleman from Illinois referred.

Mr. SPARKMAN. And to which Senator NORRIS referred in his complete answer, which the gentleman from Illinois did not include in his statement.

Mr. RANKIN. They can go through whether or not this bill or any other bill passes the Congress.

Mr. THOMAS F. FORD. Mr. Speaker, will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman from California.

Mr. THOMAS F. FORD. Are not these amendments just merely the building up of a wrecking crew's attempt to wreck the T. V. A.?

Mr. SPARKMAN. It was not my intention in speaking on the rule to discuss the House bill. Of course, I am opposed to the House bill as it came from our committee. I fought it every step of the way and intend to fight it today. I believe it is a vicious thing that absolutely tears the heart out of the T. V. A., and, as stated by the gentleman from Mississippi, will never become law. If the purpose of this House is to defeat the consummation of the deal that was recommended by the minority of the joint committee, the best way to do it is to support the House bill. It will absolutely defeat the deal and continue the so-called ruinous or destructive competition.

I am for the consummation of the deal because it brings peace to the Tennessee Valley and gives stability to the respective sections in which it is to operate and in which the utilities are to operate. As a matter of fact, the testimony before our committee was to the effect that if this deal went through and the property in northern Alabama and northern Mississippi were purchased, all the power the T. V. A. could generate with its presently installed or authorized generating systems would be consumed, and no other power would be available for sale until Gilbertsville Dam could be completed

and power facilities there installed, if the Congress authorized such, and that even then only a small portion of western Kentucky would be available for the sale of power from Gilbertsville Dam.

All the parties interested in this deal have urged the enactment of the bill. Mr. Willkie, representing the Commonwealth & Southern came before us twice and said unqualifiedly that he was for the enactment of this measure just as soon as possible, and that if there was anything he could say to convince us more strongly that he was in favor of it, he wanted to be considered as having said it.

Mr. STARNES of Alabama. Mr. Speaker, will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman from Alabama.

Mr. STARNES of Alabama. When the gentleman says "this measure," he means the Senate bill, not the House bill as reported?

Mr. SPARKMAN. I will say a measure authorizing the consummation of that deal, and I have already said that the House bill will never become law.

Mr. SHAFER of Michigan. Mr. Speaker, will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman from Michigan.

Mr. SHAFER of Michigan. The gentleman is in favor of the Senate bill; is that not true?

Mr. SPARKMAN. I surely am.

Mr. SHAFER of Michigan. That bill as it is presented calls for the authorization of \$100,000,000 for the purchase of these properties?

Mr. SPARKMAN. The gentleman is correct.

Mr. SHAFER of Michigan. In the hearings before the committee it was shown that approximately \$65,000,000 would be sufficient to carry through this deal.

Mr. SPARKMAN. I do not agree with the gentleman in that statement; but let me say—and I do not have much more time—I will go along with the gentleman on a reasonable reduction of the amount authorized. I believe I have stated that in the committee, and I state it on the floor here today. I am not quarreling about that particular point, but there are other points in the bill that absolutely tear the heart out of T. V. A., and those are the things to which I am opposed. [Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield 3 additional minutes to the gentleman from Alabama.

Mr. SPARKMAN. I had simply started out to say that all parties concerned have urged this legislation—Mr. Willkie, representing the Commonwealth & Southern, which is the holding company of these properties, and the representatives of T. V. A. And I also want to call your attention, in urging the adoption of this rule, to the necessity of immediate action. It is not simply a contract between the T. V. A. and the Commonwealth & Southern, but included as parties to the contract are some 37 different municipalities and rural co-operatives in the State of Tennessee. They have urged immediate action. The Governor of Tennessee urged immediate action. The delegation from Tennessee has urged immediate action. The date upon which these properties are to be delivered is June 20, with an option of one extension to June 30. It is necessary that it become law as soon as possible in order that these various municipalities may make arrangements to dispose of their bond issues at the best possible advantage.

Mr. LEAVY. Mr. Speaker, will the gentleman yield for a question?

Mr. SPARKMAN. I yield.

Mr. LEAVY. Is it not also necessary, irrespective of the amount of the bonds, that they be without strings tied to them, so these deals can be closed.

Mr. SPARKMAN. Of course, if the House wants the Tennessee Valley Authority, a governmental agency, to have to pay a much higher rate of interest on the bonds, which, in the long run, will be coming out of the Treasury of the United States, they can tie the strings to it that they propose to do in the House; but if they want it unrestricted and placed in exactly the same class as every other governmental agency having the authority to issue bonds, then the strings should certainly be taken off.

Mr. BOLLES. Mr. Speaker, will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman.

Mr. BOLLES. What would be the situation in reference to taxes?

Mr. SPARKMAN. With reference to taxes, my position has been clear in the committee that we have not had sufficient testimony before our committee to justify our taking action, and it ought to come up in later legislation, because this is for one purpose, and one purpose only, and that is to authorize the consummation of this one purchase.

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I yield the gentleman from Alabama 2 additional minutes.

Mr. HARNES. Mr. Speaker, will the gentleman yield?

Mr. SPARKMAN. I yield.

Mr. HARNES. I understood the gentleman to say that the interest would eventually come out of the Treasury. Is it not a fact that this bill provides that the interest should be paid from the income of T. V. A. put into a sinking fund?

Mr. SPARKMAN. The income goes into the Treasury, and if you take it out of the income you are, after all, taking this money from the Treasury.

Mr. HARNES. But the bill puts the T. V. A. on a business basis by requiring them to take out of the earnings sufficient to pay the interest and the principal on the bonds.

Mr. SPARKMAN. Granting that to be true, at the present time the earnings go into the Treasury, so if you take it out of the earnings you are taking it out of the Treasury.

Mr. SABATH. Mr. Speaker, will the gentleman yield?

Mr. SPARKMAN. I yield.

Mr. SABATH. There is no opposition on the part of the States or the municipalities interested as to taxes, and they do not object to this.

Mr. SPARKMAN. The Governor of Tennessee appeared before our committee, the Governor of Georgia wired us, and the Governor of Alabama wired us, and various others, expressing the desire to have this legislation without any tax amendment.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. SPARKMAN. I yield.

Mr. RANKIN. And these distribution systems will be bought by the municipalities.

Mr. SPARKMAN. Yes; and may I say there that the Governor of Tennessee said that regardless of what we do, the cities of Tennessee are determined to own their own distribution systems.

Mr. RANKIN. Of course, and the States can tax them if they want to do so.

Mr. SPARKMAN. Absolutely.

Mr. HAWKS. Mr. Speaker, will the gentleman yield?

Mr. SPARKMAN. I yield.

Mr. HAWKS. Where did the money for the original investment come from if not from the Treasury of the United States?

Mr. RANKIN. And the Alcorn County Association, containing the city of Corinth, has already paid for its distribution system in 5 years, while you men have been fighting the T. V. A. and leaving your people at the mercy of the Power Trust, paying exorbitant rates for power and light.

[Here the gavel fell.]

Mr. SABATH. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

W. P. A. INVESTIGATION

Mr. JARMAN. Mr. Speaker, from the Committee on Printing I report (Rept. No. 827) back favorably a privileged resolution (H. Con. Res. 28) and ask for its immediate consideration.

The Clerk read as follows:

House Concurrent Resolution 28

Resolved by the House of Representatives (the Senate concurring), That, in accordance with paragraph 3, of section 2, of the Printing Act approved March 1, 1907, the Committee on Appropriations of the House of Representatives is hereby authorized and empowered to have printed, with illustrations, for its use 2,000

additional copies of each part of the hearings held before a subcommittee of said committee, during the current session, pursuant to the resolution (H. Res. 130) directing the Committee on Appropriations to make an investigation and study of the Works Progress Administration as a basis for legislation.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

A motion to reconsider the vote by which the resolution was agreed to was laid on the table.

EXTENSION OF REMARKS

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record and to include therein a statement by Colonel Harrington, Administrator of the W. P. A., delivered before the committee this morning.

The SPEAKER. Is there objection?

There was no objection.

TENNESSEE VALLEY AUTHORITY

Mr. MAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 1796) to amend the Tennessee Valley Authority Act of 1933.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill S. 1796, with Mr. CLARK in the chair.

The Clerk reported the title of the bill.

The CHAIRMAN. Without objection, the first reading of the bill will be dispensed with.

There was no objection.

Mr. MAY. Mr. Chairman, I yield myself such time as I may desire.

I hope very much that the membership of the House will remain on the floor until this debate has been completed, because this is a very important matter. I shall not go into the particular details in explaining the effects of this bill except as it relates to three or four of the major propositions, but if I can I shall give to the Members of the House some very cogent and forceful reasons why the committee amendment to the Senate bill should be adopted by a substantial vote.

The Tennessee Valley Authority, as everyone knows, was organized as an instrument of national defense under the war powers of the Congress, and no one who voted for the original bill ever dreamed it would ever do what it has done, and may I say to my colleagues, using a rather old expression, that from the beginning I grew up with the Tennessee Valley Authority. I was on the committee that created it, and I have been on that committee from that time until now. I do not object to any member of my committee taking any position he wants to take on any matter of legislation. That is his right. But I do say to the House that the House Military Affairs Committee, after very careful consideration, has brought to you the right kind of a measure. In another body the matter was disposed of summarily without hearings on a report of the Norris amendment. When the bill came to the House I felt, as chairman of the House Military Affairs Committee, that it was a matter of such importance that the Congress ought to know something about it. The bill does not, as was stated by some of the gentlemen who have spoken on the rule, emasculate or destroy the Tennessee Valley Authority. The only thing it does is to put a rather weak halter on it. It has been a monster turned loose down in Tennessee for 6 years, and in order that gentlemen may know that I have been thinking about the thing from the beginning, let me say, and I say it marking my words, that the record of the hearings of the House Military Affairs Committee of 1933, when the bill was first presented, the record of the hearings on the 1935 amendments, and the debates in the House on the 1935 amendments will disclose the fact that I then predicted that it was the purpose of the Tennessee Valley Authority to confiscate and destroy investments of the shareholders of the Commonwealth & Southern and its subsidiaries in the Tennessee Valley, and here they are today at the bar of

justice on trial for that very thing, and they came before your committee and told us in words, and in effect, that unless we passed this legislation they would complete the job of destroying the holdings of the Tennessee Electric Power Co. With that kind of statement on the part of an official of a Federal bureau, is it right and is it proper that your committee should have gone into the thing and have hearings and found out what is the matter?

That is not all. I am here to tell you today that we are not stopping them for the want of money. The evidence is conclusive before our committee that they need only \$60,500,000 to carry into execution the deal. We have allowed them \$65,000,000, allowing four and a half million dollars of that to take up some other outside interests that they want to buy. All we have required as to future acquisitions of utilities or utility territory is that they shall come back to the Congress for approval.

Some remarks were made here by the gentleman from Alabama [Mr. SPARKMAN] about the acquisition of properties in northern Mississippi and northern Alabama, it being the intent and purpose of the corporation, and we think it is what they had in mind, cited by the gentleman from Illinois [Mr. DIRKSEN] in reference to the Senate amendment, and the fact is that the bill gives them the right to buy out the subsidiaries of the Alabama Power Co. in 27 counties in northern Mississippi and Alabama, and it is so stated in the bill itself.

So we have neither limited them in the amount of funds, nor have we limited them in the area that they may cover in the consummation of this transaction. As a matter of fact, the 27 counties in Mississippi and Alabama are in addition to the contract that they asked the Congress to confirm. Then what have you? According to the testimony of Mr. Willkie and according to the testimony of Mr. Krug, there are \$48,000,000 of bonds of the Tennessee Electric Power Co. to be acquired under the contract. There are \$24,000,000 of preferred stock to be bought by local municipalities under the contract, and that makes a total of only \$72,000,000. Mr. Willkie told the committee that \$48,000,000 was the only amount necessary to actually complete the transaction, because the Tennessee Valley Authority is not buying the distribution systems in the towns and cities that are to be embraced in the transaction, but they are a tentative proposed purchase to be acquired hereafter.

Now, in view of that situation that we have given them all the money they need, we not only limited the amount to \$65,000,000, that which they said they would need, but we have provided in the bill that the bonds shall be the obligations of the Tennessee Valley Authority and not the obligations of the taxpayers of this country, for the reason they showed that the income, when they take over these properties, together with that which they already have, will be around \$7,000,000 annually. If they have \$7,000,000 income, that is 3½ percent on a \$200,000,000 bond issue. Consequently they will be able to carry their own obligation, and we have required them to set up a sinking fund to provide for the interest and to meet the principal at the maturity of the bonds.

But there have been some remarks made here and a statement made by my splendid colleague from Tennessee, the gentleman who was in charge of the time on the rule, Mr. TAYLOR. The gentleman said, in speaking of my friend RANKIN, from Mississippi, that RANKIN eats kilowatts, that he sleeps with kilowatts, that he drinks kilowatts. I would like to ask him if he thinks the coal miners in his congressional district, who load coal to be consumed in the steam plants in the Tennessee Valley area, that are to be put out of business by the hydro dams, can drink kilowatts and eat kilowatts and sleep with kilowatts. I will yield to him in a moment to answer the question when I say to him I am sure that those kilowatts that are being developed by these hydro dams will keep his miners sleepless instead of letting them sleep.

Mr. TAYLOR of Tennessee. Will the gentleman yield?

Mr. MAY. I yield to the gentleman from Tennessee.

Mr. TAYLOR of Tennessee. I do not know that the miners eat and sleep kilowatts, but I do know this, that at the meeting of the United Mine Workers in convention in Knoxville about a year ago the president of the United Mine Workers, Mr. Turnflayer, made a speech in which they endorsed the T. V. A. program and said that the United Mine Workers were not going to stand in the way of progress.

Mr. MAY. If the gentleman knew that when he was before our committee, why did he not tell us about it, and why did he not wait and listen to the president of the Alabama Mine Workers and hear him tell this committee that the abolition of one steam plant of the Alabama Power Co. in northern Alabama had destroyed the business of two coal mines in Alabama where they were at work?

Mr. SPARKMAN. Mr. Chairman, will the gentleman yield?

Mr. MAY. No; I cannot yield just now. I will yield later.

Mr. SPARKMAN. I would like to answer that coal statement.

Mr. MAY. I will give you time to answer that later when I yield time. I do not yield further now, Mr. Chairman.

Now, I am just trying to give you step by step what the committee has done. We have done not only what we have told you in fixing the amount of money they should spend, and require them to pay their own bonds and provide a sinking fund to take care of them, but we have put them back under the Comptroller General for an accounting of their business. I will tell you why we did that. I am not going to ask you to take my word for it. I am not going to ask you to take anybody's word for it except the word of the Comptroller General of the United States.

Now, let us see whether or not this monster is the kind of thing that ought to be turned loose without any strings on it. Let us see whether it ought to be given \$100,000,000 in bonds to sell and spend when it only needs \$65,000,000. Let us see whether it is a safe institution to be trusted with the disbursement and spending of the taxpayers' money. That may be determined by reference to the report of the Comptroller General in 1937, covering the years 1936 and 1937, at page 68, from which I read:

During the fiscal years of 1936 and 1937 exceptions were made, and the Authority regularly notified, on a total of 7,964 transactions involving \$15,542,459.70. Of such number and amount there were released after proper explanation or recovery a total of 3,077 exceptions amounting to \$4,814,950, leaving 4,887 still pending in the amount of \$10,727,509.70.

That amount of money is still unsettled in the Comptroller General's office. I not only called the Comptroller General and had it verified by his office, but I got a copy of the yet unpublished audit and yet unpublished report of the Comptroller. What did it say? Here is the bullet hole in the whole transaction.

After quoting the act as it now stands, which we propose to broaden to give the Accounting Office more power to deal with them, the Comptroller General says this, after talking about the economy that he had been able to bring about by having the records sent to Washington for audit instead of sending a force out in the field. I quote:

By reason of the economy and greater efficiency attained in conducting the audit to the fullest extent possible in Washington, the corporation—

Meaning the T. V. A.—

has been consistently urged to forward to this office the complete accounts of its treasurer.

Now, listen, and do not forget this:

Despite the benefits accruing to the Government by reason of such action, it has repeatedly refused to comply with such requests insofar as they related to collection data and paid checks.

In other words, this Bureau of the Government, with unlimited funds, says to the Comptroller General: "We refuse to furnish our checks to show our disbursements." And there is today \$10,000,000 and more unaccounted for because they refuse to have their account audited. Your committee has provided for it in this bill; we have put them back under the Comptroller General to be audited.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. COCHRAN. I think the last statement made by the gentleman in part answers the question I had in mind. Are they now subject to the Budget and Accounting Act of 1921, or was there a provision in the law to which the gentleman refers that took them out of the control of the Budget and Accounting Act of 1921?

Mr. MAY. They were taken out by the 1935 amendment.

Mr. COCHRAN. Then, blame the Congress of the United States for taking them out, and not the T. V. A. It was the Congress that took them out. If we had not taken them out, they would be subject to the Budget and Accounting Act of 1921. Time and time again I have stood on the floor of this House and said that under no consideration should we take any agency, private corporation or otherwise, of this Government from under the control of the Budget and Accounting Act of 1921.

Mr. MAY. The gentleman knows, then, that the reason we set up the Comptroller General's Office in the beginning was because of the large expenditures made by the Government during the World War, and of course his views are in exact accord with my views, and that is why I wrote the provision in the pending bill, and I am now asking the Congress to correct its former serious mistake.

Mr. COCHRAN. Yes; but why take bureaus and agencies from under the control of the act? If necessary to make some concessions, that can be done, but a final audit should be made of all spending agencies by the representative of Congress—the Comptroller General.

Mr. MAY. If we are now spending billions of dollars, why is it not equally important that these governmental agencies be required to account? Does the gentleman from Missouri undertake to justify the Tennessee Valley Authority in refusing to submit its accounts to the Comptroller General?

Mr. COCHRAN. I do not; but I do say that if the Congress of the United States took the T. V. A. from under the Budget and Accounting Act of 1921, then do not blame the T. V. A.; put the blame where it belongs, on Congress. It is our fault. If we had not done it, they would have been compelled to submit their papers to the Comptroller General. As chairman of the committee that has such disputes under consideration from time to time, I have stood here on numerous occasions on agricultural bills and others and said that we make a mistake when we take away from the Comptroller General the power to audit expenditures. No spending agency of this Government should ever be permitted to make the final audit of its own expenditures. [Applause.]

Mr. MAY. The gentleman does believe, then, that the committee is right in requiring this agency to be audited by the Comptroller General?

Mr. COCHRAN. I will stand by any committee of the Congress at any time for adhering to the Budget and Accounting Act of 1921; but what I am trying to drive home now is, if we take an agency from under the Budget and Accounting Act of 1921, blame ourselves for doing it; do not blame those we permit to defy the Comptroller General.

Mr. MAY. I am not blaming anybody, but I certainly agree with my eminent colleague from Missouri that the Congress made the mistake in the first instance, and T. V. A. has taken advantage of that mistake from the start.

Mr. COCHRAN. We should blame ourselves when we are at fault.

Mr. MAY. I am trying to emphasize the importance of putting a large spending agency that is spending millions and hundreds of millions of dollars every year, and is demanding another \$100,000,000 to spend, under the control of our disbursing officer and our Accounting Office; and that is exactly what the committee did in this instance, and that is the kind of measure we bring to the House of Representatives. We now give the Congress an opportunity to correct its mistake and urge it to do so.

I should like to ask any Member, representing the taxpayers of his district, how he is going to justify a vote against this bill which requires them to account to the Comptroller General and to the Budget Office when he goes back to his

constituents and tells them that he voted to defeat a bill and turn them loose with an extra \$40,000,000 to spend at their own discretion where they please and when they please? That is the question that must be answered by gentlemen on the floor of this House to their constituents when they report on their action.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. CRAWFORD. I agree with the gentleman's observation that I could not justify such a vote; neither can I justify a vote to permit them to pay 3½-percent interest on these bonds that are to be issued. We know that every force of Government has been used and will continue to be used to float Government-guaranteed and direct obligations at not to exceed 1 to 1½ percent next year. Why do we provide for the payment of 3½-percent interest on these bonds?

Mr. SPARKMAN. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. SPARKMAN. I call the gentleman's attention to the fact that this bill gives them the right to pay up to 3½ percent; they may pay up to 3½ percent but not exceed it.

Mr. CRAWFORD. Why, then, do we not fix it so that they cannot float it at 3½ percent?

Mr. SPARKMAN. The rate of 1 percent and 1½ percent is for direct or guaranteed Government bonds, a guaranty that makes them the liability of the Federal Government.

Mr. MAY. Mr. Chairman, I did not yield for a round-table discussion on the floor.

Mr. CRAWFORD. Then I understand that these bonds issued at not to exceed 3½ percent are not to be guaranteed by the Federal Government.

Mr. MAY. That is exactly right. I call the gentleman's attention to the fact that the T. V. A. has an income of \$1,500,000 which is available from contracts they have already entered into with large corporations, and from their general transmission lines. They have another \$5,000,000 of the Tennessee Electric Power Co. as net earnings. So they will have almost \$7,000,000, which would be 3½ percent on \$200,000,000, and they ought at least to be able to float \$65,000,000 of bonds on that amount.

Mr. CRAWFORD. I shall be glad to go along with the gentleman on not-guaranteed bonds.

Mr. MAY. That is what we have done by the pending bill, and I am very strongly convinced of the wisdom of such provision.

Mr. CRAWFORD. In that case the interest rate may have to be as high as 3½ percent.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. DONDERO. The policy followed by the Government in the T. V. A. has caused a drop from \$711,000,000 to \$49,000,000 a year in money ordinarily invested in the utility industry. That is what the effect of it has been.

Mr. MAY. I do not know how much the money invested in utilities generally has dropped, but I know they have practically quit making expansions, and who blames them when the Government's power policy constitutes a punitive expedition against them with taxes they pay.

Mr. Chairman, I think I ought to refer to a remark made by my colleague on the committee, the gentleman from Alabama, and by the gentleman from Mississippi, who are very anxious about the Tennessee Valley Authority. Both of them say they want peace in the Tennessee Valley and that by buying out the competitor—that is, the private utility—and turning the whole thing over to the Government as a monopoly, we will then have peace.

I want to ask the Members of the House what became of the peace that was in the Tennessee Valley prior to the time the T. V. A. went down there? I want to ask who made the first declaration of war? I want to ask who it was that brought about this condition that is referred to, not as peace? I will tell you. It was the Tennessee Valley Authority that sent down there a board of directors who set a campaign under way to destroy every competitor they had.

They started out from the very beginning to issuing press releases. They put under way a campaign to influence people of every municipality in the Tennessee Valley to believe they were going to get electricity given to them, and they have almost convinced the people that it is being given to them. It is practically being given away, and at a price far below cost of production. Lillenthal and others set themselves up as ambassadors of glad tidings of great things, and the people believed it.

They come back here and cry, "Peace! Peace!" They come back to the committee and say, "Unless you give us this authority to buy them out we will destroy them by competition with taxpayers' money that you have approved." We are undertaking to put a halter on that and to stop them, to limit them to the area that was originally intended by the act they should be limited to. They protest and say, "It is against public policy to limit us in any sense," and they are opposed to paying a dime's worth of taxes to anybody. I do not know but what they are right about that, because if you once set a precedent of requiring the Federal Government to go into the States and pay taxes to the local communities where they have their own property, then you are setting a dangerous example. Furthermore, it is of doubtful constitutionality.

I undertook to have inserted in this bill a provision that would require them to pay taxes, just as other people pay taxes in the communities in which they own property of like kind and character. I did that for the reason that the proof before our committee disclosed that people 10 years ago who had invested in Tennessee Electric Power Co.'s preferred stock at 98 were being driven by this competition of the T. V. A., a Federal agency, to the point where they were disposing of their stock at 30 to 40, although the Tennessee Electric Power Co. was paying promptly 6 percent annual dividends.

There was an instance related by the county judge of Rowan County where a widow had been left a large sum of money in the form of insurance payments by her deceased husband. She invested this money in Tennessee Electric Power preferred stock, buying it at 98, bearing 6-percent interest. She sold it at 40. This took 60 percent of the widow's mite away. She went to the county judge and asked what she should do with what she had left after losing 60 percent of her investment in order to be safe. He said, "Invest it in Rowan County 6-percent bonds"—bonds of the great county of Rowan, Tenn. She followed his advice, and along came the T. V. A., which built a high dam at the lower end of that county, submerging practically every foot of valuable farm land along that river. It resulted in putting out of taxation 45 percent of the entire assessed valuation of that county. Now they propose to go out and take up every dollar's worth of taxable property that the Tennessee Power Co. has left. When they do that, the county judge told your committee that Rowan County would not only default on its bonds, but would also default on the payment of interest on those bonds. Then the entire remainder of the widow's mite is gone. Such a cruel government! Such outrage! Yet men on the floor of this House cry out for cheap electricity and a yardstick that is a liar at one end, a thief at the other, and rubber in the middle.

I will tell you why it is a liar. It goes out and represents to the public that they are producing electricity and giving it to the people at a profit and that it is not being sold below cost. Then they go back to the taxpayers and tell them, with their hands down in the taxpayers' pockets, "We are doing thus and so." Then in the middle of the transaction down there in the valley they go out into the hills and plant trees and bushes and practice soil-erosion prevention. They say they want to improve navigation in the Tennessee River, and when it comes to the question of taxation they say that they are going to offset every taxable value the people have by a soil-erosion prevention program which will pay all the loss of taxes when the sheriff comes around.

But they are not doing that. They are going to destroy every taxable value, and then they will say, "We have improved the living standards of the people in Tennessee."

They must account for their living standards. They say they are going to set up a system of navigation. They say, "We have reduced freight rates for you. You must pay taxes for that." They say, "We are going to set up a system of flood control, and you must count those benefits against the taxes."

But that will not satisfy the sheriff when he comes around. He has got to have Uncle Sam's legal tender or Uncle Sam's currency or he is going to levy; he is going to tack on the front of every house a notice of sale and the auctioneers' hammers are going to clink in front of the courthouse doors all over the State of Tennessee where they have taken out of taxation these values. That is the first step in the Karl Marx program. That is the opening door to Edward Bellamy's new state socialism, but the widow and the thousands of others who have been robbed by their Government will remain the forgotten people.

There are 43 counties along that river, large portions of which are being submerged and will be submerged by the 10 dams which they call a unified system for the control of the flood waters of the Tennessee River. Yet they say to you, "You must not pass this bill. You must turn them loose and give them \$100,000,000 with which to exploit that country." They want an extra \$40,000,000 to go out yonder and pick up another bunch of utilities and take their property out of taxation in some other counties outside the area of the Tennessee Valley. Oh, they have their eyes on Louisville. They have their eyes on Cincinnati. They have their eyes on St. Louis. They have their eyes on Indianapolis and they have their hands in the pockets of every taxpayer in America. What a glorious appeasement of business and industry.

When we come here and undertake to restrain their extravagance, when we tell you they have more than \$10,000,000 down here in the Comptroller General's office unreconciled, and when we tell you they have declined and refused to answer requests of the Comptroller General to furnish their checks to show what they paid out, they stand up—and perhaps they are in the gallery now—and expect the Members of the House of Representatives, who represent 47 other States of the Union, to legalize that kind of conduct. A system of vicious and inexcusable extravagance by a bureaucracy entrenched by the power of unlimited sums of money and more dangerous to democracy than all the dictators and powerful armies of the Old World. I plead earnestly with my Democratic colleagues of the South to rise up and stop this invasion and crushing of the sovereignty of seven great Southern States. Oh, yes; if you will turn them loose unrestrained, if you will release the halter, if you will give them carte blanche authority under the Norris amendment, then "King David" Lillenthal's empire will expand like a mushroom until it has absorbed and controlled the people of seven great Southern States, where men ought to be Democrats whether they are or not. But they say now they have done this, and I refer you to the acts of the Legislatures of Alabama and Tennessee. They not only said, "Go on, boys, and do as you please," but they have literally taken the hands of the public-service commissions of those two States off of their necks, and while they were releasing them from State control they were tightening their grip and their grasp upon the private tax-paying utilities of those States.

Where can you find a more glaring, where can you find a more vicious invasion of the doctrine of State sovereignty than when a Federal agency walks into a State and says, "We will control and dominate and dictate just what you shall do about this and about that and about the other." Yes, dominate and control the lives and activities of all the people. I would to God that the unconquered spirit of the immortal Andrew Jackson, of Tennessee, could rise from the tomb to smite these invaders of his great State.

What else do they do? They are not only putting out of commission and saying they will keep for stand-by use seven great steam plants, but ultimately they will put them all out of commission, when the very evidence before our committee discloses beyond the peradventure of a doubt that 1.8 pounds of coal will produce a kilowatt of electricity, whereas the same kilowatt of electricity produced by hydro investment costs just twice as much.

What else? When a coal miner in any one of 37 States of this Union loads 1 ton of coal, he produces more than a thousand kilowatts of electricity with that coal and he gets his \$5.20 a day up in my district, and not a one of them yet has been able to eat my friend BILL TAYLOR's kilowatts or sleep with them or drink them, and they are not going to. What you are doing here is putting out of business the market of a labor-employing and a labor-producing industry, that of coal, and you are investing the taxpayers' money in a nonproducing, non-labor-employing industry, as illustrated by the fact that when we put \$38,000,000 in the great Norris Dam we not only submerged large portions of counties in the districts of my friend TAYLOR and others, but we spent \$38,000,000, and today that dam employs less than 20 men in its operation. The same \$38,000,000 invested in 38 coal plants worth a million dollars each would employ and provide homes, on accurate estimates, for more than 20,000 men, and those 20,000 men would roll into the pay envelopes, at \$5.20 a day, a total of \$110,000 a day to take care of their wives and children. Yet they come to you and ask you to expand their authority and to enlarge their jurisdiction and their area.

That is the whole issue here. If you pass this House bill, it not only means a saving to the taxpayers, it not only means economy for the Government, but it means that hereafter we will keep this monster within an area where it can sell every ounce of electricity it has to sell, according to their own testimony. But they told us in 1933, when we considered the original bill, that it was national defense and flood control and rehabilitation of the nitrate plants at Muscle Shoals, Ala. We required them to keep their principal office at Muscle Shoals, and provided in the act that the directors should live in a house free of rent at Florence, Ala. Yet they went to Knoxville, Tenn., and rented five of the biggest office buildings in Knoxville and have more than 5,000 office employees in the Tennessee Valley riding automobiles at 5 cents a mile and running up expense accounts three times in excess of the railroad fare from Knoxville to Muscle Shoals. That is the economy you have. They are now proposing to set up a system of water transportation on the Tennessee River to strangle the railroads of that area and also the jobs of thousands of railroad employees.

Mr. SPARKMAN. Mr. Chairman, will the gentleman yield?

Mr. MAY. Have you been riding one of their cars, John? Yes; I yield.

Mr. SPARKMAN. I have not; but I should like to say that I find myself in accord with the gentleman from Kentucky in one respect, and that is the location of the principal offices. I do believe they ought to be in the immediate vicinity of Muscle Shoals, Ala.

Mr. MAY. I agree with the gentleman; but he misunderstood my meaning, because I am just using that as an illustration to show their utter disobedience of the mandate of Congress. That is why I mentioned it. I do not care where they keep their office, except they ought to be made to obey the law, but as far as I am concerned I should like to have their accounts audited by the Comptroller General.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. Is this a fair summation of what this bill does? In the first place the Norris bill asks us to appropriate \$100,000,000, and the gentleman's committee finds of that amount \$60,000,000 or \$65,000,000 is enough.

Mr. MAY. It is; but \$3,500,000 of bonds have already been issued and the \$65,000,000 includes that.

Mr. JENKINS of Ohio. Will that purchase all these properties in Alabama, Tennessee, and Mississippi?

Mr. MAY. It purchases the entire holdings of the Tennessee Electric Power Co. and the holdings of the Alabama Power Co. and the Southern Tennessee Power Co. in Tennessee and in 27 counties in northern Alabama and northern Mississippi, and that is all they have asked to purchase; and these 27 counties are not even embraced in this contract. We are letting them go that much further.

Mr. JENKINS of Ohio. If you are providing sufficient money to buy all the power that is salable or all that they want to sell or could sell, why are they asking for the difference between \$65,000,000 and \$100,000,000?

Mr. MAY. I do not know why, but I will tell you why I believe they are. They want to have an extra \$35,000,000 to do with just as they please. They have enough money already in the other sum to take up some bonds they have already issued and provide loans to the two municipalities that are in such a hurry. They want to lend money to every municipality in Tennessee, 35 or 37 of them. Who in Congress ever dreamed of making the T. V. A. a lending agency? I am in favor of letting them lend that \$4,000 bill they bought with tax money.

Mr. JENKINS of Ohio. That is the way they have been doing all along.

Mr. MAY. Yes.

Mr. JENKINS of Ohio. There is another provision in the bill that restricts their territory and prevents them from coming north of the Ohio River; they are restricted to the Tennessee Valley.

Mr. MAY. Within the watershed of the Tennessee River and the Cumberland River, as far as is affected by this deal, which includes the Nashville plant and several counties around it.

Mr. JENKINS of Ohio. Another thing the gentleman provides in his bill is that this \$65,000,000 must be amortized and paid back out of this wonderful profit that this great yardstick is going to produce.

Mr. MAY. That is right, and it will be amortized if economy is practiced.

Let me now make this last appeal to you.

Mr. WHITE of Idaho. Mr. Chairman, will the gentleman yield?

Mr. MAY. I am sorry I cannot yield now.

Mr. WHITE of Idaho. The gentleman will recall that I have asked him to yield before.

Mr. MAY. I am sorry I cannot yield.

The appeal is made, "Let us have peace in the Tennessee Valley." I agree with my colleague from Alabama—let us have peace, and let us have some business appeasement throughout this country.

Here we are with the Ways and Means Committee sitting and laboring day and night and bringing out here social-security legislation, putting additional burdens upon the States for the purpose of appeasing industry. With the right hand we say, "Come on and be appeased," and with the left hand we spend hundreds of millions of dollars to destroy legitimate investments under the law. With the left hand we appropriate hundreds of millions of dollars to the Public Works Administration and say to the Public Works Administrator, "Go out and give somebody 45 percent of their requirements and lend them the other 55 percent at a low rate of interest, or with no interest at all, in order to destroy fixed investments." That is Democracy appeasement of business and industry in this country, and as long as you keep it up you need not look for any recovery of business.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. MAY. I yield.

Mr. BATES of Massachusetts. In addition to the 45 percent which the Government grants through P. W. A., what percentage of the capital investment is charged off in the Tennessee Valley to flood control or to navigation?

Mr. MAY. The testimony in the record is unvarnished, unquestioned, and is unhesitatingly and undoubtedly clear that they charge off 50 percent of the valuation on these dams to flood control and navigation and allocate 50 percent to power cost.

Mr. BATES of Massachusetts. So in addition to the 45 percent the Government is granting through P. W. A. grants, we are also assuming through Federal money 50 percent of the cost of the dam.

Mr. MAY. Oh, yes; and in addition to that they spent millions of dollars down there through P. W. A. and W. P. A.

labor and nobody has ever known how much it amounted to and never will, unless we compel them to submit to audit by the General Accounting Office.

Mr. BOLLES. Mr. Chairman, will the gentleman yield?

Mr. MAY. My time is up, but I yield to the gentleman.

Mr. BOLLES. I just wanted to ask the gentleman if there was any testimony showing the amount of actual navigation.

Mr. MAY. No; they do not pretend to give us amounts on navigation or flood control. They just allocate half of the cost of the dam after they mark them down 25 percent, and then they allocate half of the remainder to electricity.

Mr. Chairman, I shall now conclude my remarks here, and I hope the membership of the House will think this matter over when they come to voting on this bill. Let us pass it as the committee has reported it and that disposes of the Norris amendment, which would turn them loose without limit. [Applause.]

Mr. SHORT. Mr. Chairman, I yield 15 minutes to the gentleman from Massachusetts [Mr. CLASON].

Mr. CLASON. Mr. Chairman, I think the reason we have this bill here at all today is due to the fact that when the T. V. A. Act was originally passed it was apparently thought by Congress that the T. V. A. would not purchase any existing utility companies, that there would not be any conflict of interest with private utilities, and so no provision was made whereby they could expand at the expense of established industry.

They now find themselves in this position. They are authorized to issue \$100,000,000 in bonds, but there is a limit on this issue. First of all, only \$50,000,000 can be issued for the purpose of building up new generating plants, dams, and other facilities. The other \$50,000,000 can only be used for extending credit to municipalities which wish to tie into the T. V. A. system. So they find themselves in this position at this time. They need more than \$50,000,000 in the first instance to carry out their present transaction to buy out properties of four different subsidiaries of the Commonwealth & Southern. They also, under the present law, have no right to acquire such properties by purchase. So when they come in here and tell us they are not asking for any more than they already have in amount, that is not in fact true, because they are limited to exactly \$50,000,000 for purposes of expanding their electric facilities.

They are now asking for \$100,000,000 under the Norris bill in order to do this very thing. We find even their best proponents here on the floor stating today that they do not need \$100,000,000 for the purposes which they have set out before the committee in asking for funds; but, in fact, I think the hearings definitely show that \$61,500,000 is in excess of the amount needed for the purpose of buying out the properties of these four companies, rehabilitating to any extent necessary, tying them in, or for any other purpose.

In addition, they are allowed under the committee bill to issue \$2,200,000 as a loan to the city of Memphis under a contract already entered into. The T. V. A. has already issued \$3,500,000 in bonds, which will remain outstanding. This bill would have granted \$65,000,000 if we had not subtracted that \$3,500,000 of outstanding bonds and reduced it from \$65,000,000 to \$61,500,000.

Something has been said here on the floor to the effect that Mr. Willkie is very anxious to have the Norris bill go through. I do not think that is a fair statement of what Mr. Willkie testified. I think that those who heard Mr. Willkie testify will bear me out when I say that he said that his position today is the same as it has always been; that the T. V. A. ought never to have been authorized; it ought never to have been given the power to fight with his companies.

With his companies forced to the wall, he stated, and he was asked questions along this line, that he must, as a trustee of the stockholders of his company, try to get through some sort of legislation which would permit of the purchase of his properties by the T. V. A. He further stated that he really believed that he preferred the committee bill or the amendments included in the committee bill to the Norris

bill. In other words, like the majority of the committee, he favored a limitation being placed upon the area in which the T. V. A. should operate.

Mr. JENKINS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CLASON. Yes.

Mr. JENKINS of Ohio. That would be in effect practically the only difference so far as he is concerned. He would not care how many millions were voted for the T. V. A. as long as he got enough to satisfy his demands. When he got that with the restrictions, he would perhaps prefer to have the committee bill.

Mr. CLASON. That is true. Why do we want restrictions on the T. V. A. operation? I think we have had newspaper talk enough, emanating from high officials, to show that the Government has indicated a desire to tell the public utilities now operating in the United States that they are not further to be interfered with by the T. V. A. operations. By limiting the area in which the T. V. A. shall operate, and by this bill we are giving that assurance to those public utilities and companies. If there is any truth in their statement that they are ready to put billions of dollars into increasing their facilities, at the present time, if they are given that assurance, then this bill will go a long way toward helping to decrease unemployment in the United States.

On the area proposition the T. V. A. bill—that is, the original bill—allows them to operate in the basin of the Tennessee River. By this bill we allow them to go into the valley of the Cumberland and to occupy a certain area now served by one of the subsidiaries of the Commonwealth & Southern, which is being bought out. To that extent we give the T. V. A. a further area in which to operate. In addition we not only provide funds for the purchase of the properties of those two subsidiaries now operating in the basin of the Tennessee River, the Tennessee Electric Power Co. and the Southern Tennessee Power Co., but also we are giving them authorization for additional sums of money to buy out the properties of two other subsidiaries of the Commonwealth & Southern, with which there is no contract at the present time.

Mr. SPARKMAN. Mr. Chairman, will the gentleman yield?

Mr. CLASON. Let me explain first, and the gentleman can go ahead later. Those companies operate in northern Alabama, in Mississippi, and perhaps in other places. Under this bill the T. V. A. is going to have authority to take over the properties of those two subsidiaries, in addition to those in the present contract, and they are going to have this much larger area in which to operate.

Mr. SPARKMAN. Mr. Chairman, will the gentleman yield for a question?

Mr. CLASON. Yes; for a question.

Mr. SPARKMAN. The gentleman will admit, will he not, that under the law as it stands at the present time the T. V. A. could purchase those properties without any act of Congress?

Mr. CLASON. They could not acquire any generating plants. But, at any rate, under this bill they are getting just what they want and what they have asked for through every witness who appeared before our committee.

In regard to this area, the question may arise as to whether or not the T. V. A. needed any more area in which to carry on its business. We find in a dispatch emanating from the train in which President Roosevelt was going to Key West on February 18, 1939, the following:

When told there were "fears" on the part of some in the utility field, the President remarked that was just one example of how generalities are destroyed when viewed in the light of specific facts.

He said for a year and a half about 95 percent of the utility people had known and accepted as fact that the Government was not going in for any further power development . . .

As for Commonwealth & Southern, he said it was only concerned about its operations in the Tennessee area, and that was all settled now, evidently referring to sale of its Tennessee properties to T. V. A.

The head man with the T. V. A., sent down as a witness, was Mr. Krug. He states in his testimony before the investigating committee, on page 12608:

I would just like to add at this point that the acquisition of the Commonwealth & Southern properties I have mentioned and the acquisition of the Memphis property would complete our marketing plans for the entire 10-dam system.

Later in the hearings before the Senate subcommittee, on February 15 of this year, on page 65, Mr. Krug said:

With the basis of agreement reached for acquisition of existing facilities of the Tennessee Electric Power Co. and the Memphis Power & Light Co. by the T. V. A. and local public agencies, competition between distributors of the Authority's surplus power and private utilities has been practically eliminated. With the acquisition of certain small electric systems in northern Mississippi and northern Alabama, the adjustment between the Authority and private utilities will be completed in an area sufficient to absorb substantially all of the surplus power from the Authority's present and proposed dams.

Those being the facts as stated by the President and as stated by the T. V. A., there is absolutely no reason why this area of restriction should not be marked out, and I believe that the committee has done wisely in so marking it out.

Mr. WHITE of Idaho. Will the gentleman yield?

Mr. CLASON. I yield.

Mr. WHITE of Idaho. Why do you want to deny the benefits of the T. V. A. to the outlying districts?

Mr. CLASON. We are not denying them to any outlying districts. This would simply require, on the basis of what the T. V. A. has stated in its own testimony, that if they wish to expand further, in view of the fact that they have a market for power from every one of the dams which have been built or proposed, that they would come before the Congress for further authorization, and I think that is only fair.

Mr. WHITE of Idaho. The gentleman advocates restriction—

Mr. CLASON. I decline to yield further.

Now, the next proposition, the area having been considered, was the question of taxes.

The tax question in connection with this is a mighty important one. I have noticed that the proponents of the bill do not care to have the tax proposition brought up at this time, and there is a real reason for that. Every Member of Congress who represents a district outside the area served by the Tennessee Valley Authority should be mighty well interested in this proposition, because the people back in the Tennessee Valley within this area are coming to Congress and demanding that Congress, out of its funds in the General Treasury, shall pay all of the taxes lost in that area, due to the fact that the Government has taken over these facilities. Now, is that fair or unfair?

These taxes are paid today and they are paid today by the ultimate consumer. When the Commonwealth & Southern makes up its rates it has to add into the total to be charged the amount of these taxes. Those rates are ultimately paid by the consumer who uses the electricity, and all this bill requires is that the taxes shall be added to the cost to the ultimate consumer, and that he pay this bill. If we do not do it, what is going to happen?

I was interested in H. R. 4094, introduced by the gentleman from Georgia [Mr. WHELCHEL], who comes from a district served by the T. V. A. Under section 25a of his bill he provides that the Tennessee Valley Authority be authorized and empowered to ascertain what county or counties in the United States will be affected by reason of withdrawal of taxes heretofore paid to them by the Tennessee Electric Power Co., and so forth. Then he goes on and adds:

The Tennessee Valley Authority is authorized and empowered to reimburse such county, or counties, for such loss, by the payment in cash to them annually such amounts as they receive from the Tennessee Electric Power Co. annually for taxes.

Our position in the committee is that the tax question should be determined in this bill. Mr. WHELCHEL himself appeared before the committee and told us that in his opinion the tax question ought to be settled at the same time this bill of Mr. NORRIS was considered. We have taken him at his word, and he is certainly as much interested as anybody else, and we have written in this provision which will see to it that the cost of the lost taxes shall be supplied by the beneficiaries of the T. V. A., the ultimate consumers.

Mr. REECE of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield.

Mr. REECE of Tennessee. As I understand your views and the views expressed by section 3 of the bill which it proposes, it is that the Authority which regulates utility rates shall impose such rates as will enable a revenue sufficient to reimburse for taxes which may have been lost by reason of the acquisition of these utility properties. There is only one agency that has the authority, as I understand it, to fix utility rates, and that is the State authority.

[Here the gavel fell.]

Mr. SHORT. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. CLASON. In the first place, I would like to state at this point I do not think the gentleman understands the position of the committee. The position of the committee is that neither the Government nor the Tennessee Valley Authority should collect any money which it should distribute back to anybody in Tennessee.

What we are saying is this: The T. V. A. sells this power to the municipalities. At that point our concern ends. We say it is a problem for Tennessee and these other States as to how reimbursements shall be made for lost taxes, that the taxing authorities of those States have a perfect right to require a payment of taxes from Chattanooga, or elsewhere from municipalities, and they should collect those taxes. The result will be that Chattanooga would have to add a little to the amount it is charging electric consumers and turn it back to the State which would distribute it to the counties which will lose some of their taxes.

Mr. REECE of Tennessee. I so understand, but there are various political units that assess taxes, the State, the municipalities, the counties, and drainage districts. All of these units are vitally affected by the tax provisions, yet they have nothing whatever to do with the fixing of rates, and have no right to participate in the revenue derived from the sale of power. How are these other units going to participate?

Mr. CLASON. I have but 5 minutes, and there are two other problems to which I must address myself. These governmental subdivisions of which the gentleman speaks are integral parts of the State of Tennessee. The problem is strictly a local one to be worked out in Tennessee. If the people of Tennessee feel they would prefer to let the citizens of Chattanooga and other large cities have cheaper electricity, the counties outside losing their tax revenues, that is a matter to be decided by the majority of the people of Tennessee. There is no reason why they should not decide to charge the people of Chattanooga and other cities a little more for electricity.

Mr. HEALEY. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield.

Mr. HEALEY. The gentleman is discussing a very interesting matter and one on which he should have some very good information. When the gentleman refers to lost taxes does he mean the taxes which the State or subdivision of the State loses as a result of the acquisition of this property by the Government?

Mr. CLASON. That is true.

Mr. HEALEY. Does not the gentleman think that the benefits offered by the Government to the people in the area offset the loss of taxes they suffer?

Mr. CLASON. This situation arises, however: The Government will have a large dam of great value in a particular county which has a very small number of inhabitants. They have no way of collecting money except from taxes at the present time on the property of the Tennessee Electric Power Co. When the Government takes it over they will not be able to collect any money on that dam. The result is that the tax money will have to be collected from users of the electricity in Chattanooga and elsewhere. As I said before, it is a matter for the people of the State to decide whether they prefer to have cheaper electricity and less tax revenues or whether they will make the sale of electricity bear sufficient additional cost to make up the loss of the tax revenues.

They tell us that the citizens of the State do not want this property to be taken over at the present time, but if you will look at the Knoxville Journal—this is very important—you will see this:

Tennesseans should urge Governors, Senators, and Congressmen to act now.

The first paragraph on the editorial page of the Knoxville Journal of May 14, last, reads as follows:

What shall it profit the people of the Tennessee Valley if they gain a saving on their electric bills of \$4,000,000 and at the same time have approximately that amount added to their tax bill?

Three million five hundred and twelve thousand dollars is the tax bill. What they want is to have the rates reduced from \$16,000,000 to \$12,000,000 to the ultimate consumers and thereby get that \$4,000,000; and then they want the people of New England, the Far West, and elsewhere to pay the \$3,512,000 or some part of it directly back to the people of Tennessee and these losing communities. [Applause.]

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield 15 minutes to the gentleman from Alabama [Mr. SPARKMAN].

Mr. SPARKMAN. Mr. Chairman, I have already discussed this matter to some extent under the rule. There are some things in regard to this bill, however, to which I should like to call attention. First let me correct a statement made by the gentleman from Kentucky, the chairman of the committee. I am sure he did not intend to give misinformation, but he referred to the fact that a man from Alabama testified before our committee regarding the shut-down of a steam plant in Alabama. As a matter of fact, the steam plant about which he testified was the Gorgas steam plant, and the testimony was to the effect that that steam plant was consuming now 300,000 tons of coal a year, but that prior to 1935 it was shut down. That steam plant is owned and operated by the Alabama Power Co., and, as a matter of fact, the territory in which that steam plant is located is not involved in this bill or in the bill that is contemplated for the Alabama properties.

Let me emphasize another thing just as strongly as I can, because various Members have referred to the fact that under the original Norris amendment \$100,000,000 was to be given outright to the T. V. A. As a matter of fact, under the 1933 act, the act creating the T. V. A., authority was given the Board of Directors to issue \$50,000,000 in bonds to be used for the purposes set out in the act. In 1935 the act was amended and the Authority was given the additional right to issue \$50,000,000 in bonds with which to assist cities, towns, municipalities, and rural cooperatives in the purchase or construction of their particular distribution plants. The Norris amendment, therefore, does not give one dime of additional bond-issuing authority to the T. V. A.; nor does it extend the territory of the T. V. A., or the power or authority of the T. V. A. except in one instance only, and that is the purchase of the Tennessee Electric Power Co. properties. The only reason it was necessary, as I stated earlier today, was because there were certain generating plants that were not covered in the original act nor under the amendment. The gentleman from Illinois earlier in the day read some of the language from the Norris amendment, but he did not take the trouble to tell you that that exact wording is in the act as it stands today, and the T. V. A. is not given any additional authority except to buy this one piece of property.

Mr. JENKINS of Ohio. Will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman from Ohio.

Mr. JENKINS of Ohio. It is true, however, that the T. V. A. Act does not limit the extension nor the territorial expansion of the T. V. A.?

Mr. SPARKMAN. Yes, it does; because they are authorized to build transmission lines only within economic transmission distance.

Mr. JENKINS of Ohio. Oh, yes; that is absolutely true; but when Gilbertsville Dam is finished, the economic transmission distance would carry it clear to Indianapolis and Cincinnati.

Mr. SPARKMAN. Some mention has been made here that the T. V. A. would extend to those areas. Mr. Krug, testifying before our committee, said that as a matter of fact if every kilowatt-hour of Gilbertsville Dam should be utilized there would not be a sufficient amount of current to supply the city of Louisville, which was the smallest consuming unit of all those mentioned.

Mr. JENKINS of Ohio. The gentleman must remember there is a proposition involved here that is deeper and more comprehensive than that. There is no limitation put on them when the Gilbertsville Dam is built. Why cannot the T. V. A. build another dam? It can extend any time it wants to.

Mr. SPARKMAN. The gentleman is bound to know that the T. V. A. cannot build a dam unless the Congress expressly authorizes them to do so; and, furthermore, under the direction of Congress a unified program has been submitted which calls for a 10-dam system.

Mr. JENKINS of Ohio. Nowhere in the T. V. A. Act does it appear that their territorial boundary has been defined. Of course, the T. V. A. commissioners say that they expect to go only so far. But there is absolutely no limitation and there is nothing in the law today that will prevent them from selling power to St. Louis because it is within the 250-mile limit. They can sell it to St. Louis and Indianapolis. They can pass up Louisville if they want to. They do not have to sell to Louisville because it is in Kentucky. They can sell any place they can take the power.

Mr. SPARKMAN. May I say to the gentleman that when Congress passed the T. V. A. Act in 1933 it gave a specific job to the directors of the T. V. A. to do and that job was to build a 9-foot navigable channel from the mouth of the Tennessee River approximately 650 miles to the city of Knoxville, Tenn. The directors started that job and in the building of the dams there was power generated that the Supreme Court said they had a right, and I believe we in the Congress of the United States will say a duty, to dispose of. I think it is absolutely foolish and certainly contrary to public policy for us to say that the T. V. A. shall not dispose of that power which is generated in those dams. I feel certain the gentleman from Ohio will agree with that statement.

If that is true, is it not likewise economic folly to say that they shall dispose of it in a territory that does not fit economically into the picture? Let me say further that under the amendment that is contained in the pending bill, within 2 miles of one of the dams the T. V. A. could not sell power. The T. V. A. has a line running right by the city of Dyersburg, Tenn., which owns and operates its own plant; yet under the provisions of this limiting amendment the city of Dyersburg cannot supplement its power supply through purchase from the T. V. A.

Furthermore, there are the cities of Asheville, N. C., Kingsport, Tenn., and Bristol, Va.—all of these lie within the Tennessee drainage basin and yet are not within the economic area for the sale of power. By this amendment you are forcing the T. V. A. in its effort to dispose of power to try to sell it to those areas that are not logical areas within which to sell that power. It is illogical, it is ill-conceived, and it is placed in the bill without any basis of testimony before our committee and without any study by any organization set up by the Congress of the United States.

Mr. MAY. Will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman from Kentucky.

Mr. MAY. The gentleman has very correctly stated that the law prohibits the Tennessee Valley Authority from building a dam without the consent of the Congress. Its dams do not pay taxes as a utility does. This bill requires them to come back to the Congress before they buy any more utilities. Does the gentleman object to that?

Mr. SPARKMAN. I do, and I would like to tell the gentleman something about the folly of that particular amendment.

Mr. MAY. In other words, the gentleman wants to preclude them from buying utilities without the consent of Congress?

Mr. SPARKMAN. Let me finish my statement. Under this limiting amendment, and if you will read it, you will find that what I am about to state is true, if a steel tower blows down along one of the lines of the T. V. A., or if a transformer burns out or a fuse blows out, the T. V. A. cannot replace that without coming back and getting a specific authorization from the Congress of the United States. I do not believe that anybody who sits in this Congress will advocate any such policy as that and yet under the amendment that very thing is done.

Mr. HARNES. Will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman from Indiana.

Mr. HARNES. Does not the gentleman recognize that if the T. V. A. is not limited, as proposed in this measure, next year it will be back here asking the Congress for additional authorization to buy the Alabama Power Co., and the next year it will be back here asking us to authorize the purchase of the Mississippi Power Co.? Was that not in the testimony before our subcommittee?

Mr. SPARKMAN. No. I am sorry to differ from my colleague on the committee. As a matter of fact, Mr. Krug stated that if these properties were obtained in north Alabama and north Mississippi, they had no idea of obtaining any more properties until and unless the Congress authorized power generation at Gilbertsville, in which event they would seek to sell the output from Gilbertsville in the rural counties in western Kentucky. That is the testimony.

Mr. HARNES. Is this not the way it happened in committee: Did not Mr. Willkie testify it would be inevitable, if this deal was consummated without any limitation, that the T. V. A. would encroach upon other properties, and put their backs to the wall the same as it did in the case of the Tennessee Power?

Mr. SPARKMAN. I do not remember any such testimony. He urged our committee just as strongly as language would allow him to authorize the purchase of the Tennessee Electric Power Co., and to provide enough money for the purchase of the north Alabama and north Mississippi properties. I do know he testified to that effect. I wish I had time to express myself with reference to all the amendments that have been written in here. But may I say that the amendments that have been written into the bill are so utterly destructive of the Tennessee Valley Authority that no man who sits in this House can hope that it will ever become law.

Now, it boils itself down to one question, and particularly do I address myself to the gentlemen of the minority. Do you believe in the recommendation by your members on the joint committee investigating the T. V. A. to the effect that the purchase should be made of these private utility properties? That is all in the world the Norris amendment sought to do. If you believe in that, you will help us strip these amendments from this bill and let it go back in its simple form so it can become law. A vote otherwise will simply be saying, "We do not want to back up our minority members and we do not want to see utility peace in the Tennessee Valley."

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. May I ask my colleague, who is a member of the committee, if he understands the amendment to preclude the people of southeast Missouri, for example, from availing themselves of the benefit of the electric power generated by T. V. A.?

Mr. SPARKMAN. That is absolutely correct.

Mr. ZIMMERMAN. Let me make this observation: The T. V. A. comes to Dyersburg, in the State of Tennessee, the home of my friend, Mr. COOPER.

Mr. SPARKMAN. It cannot come there under this bill.

Mr. ZIMMERMAN. We hope it will come there. Southeast Missouri, where I reside, is within the service range of the T. V. A. We have been trying to get that power across the river. I understand it is across at West Memphis at this time. I believe the gentleman will find that is true.

Mr. SPARKMAN. Yes; it is sold to the Arkansas Light & Power Co.

Mr. ZIMMERMAN. We have literally hundreds if not thousands of farmers who are availing themselves of the benefits of rural electrification; in fact, they have covered southeast Missouri. Our farmers are praying for cheap power. We want to get the benefits of T. V. A. over in Missouri. As I understand, if this bill passes we will shut the door against the farmers of southeast Missouri—it will do that all over the country—from ever getting the benefit of this cheap power.

Mr. SPARKMAN. The gentleman has stated it exactly. Let me make this statement, as my time is about up. [Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield 1 additional minute to the gentleman from Alabama.

Mr. SPARKMAN. Let me say in this 1 minute that the Governor of Tennessee certainly stated a principle none of us can deny. The T. V. A. is not the one that is going out and encouraging the cities to set up separate plants. There are movements within the cities themselves. They are going to set up those plants and they are determined to buy electricity and to distribute it themselves. Why should we, the Congress of the United States, say to the T. V. A., an agency of the United States, "You cannot sell that power if a city comes to you asking for it." We are absolutely reversing ourselves. It will never become law. If you believe in bringing about peace between the utilities and the Government power operations in the Tennessee Valley, the only thing to do is to strip the amendment from this bill and let the Norris bill stand, which allows the consummation of this one deal. [Applause.]

[Here the gavel fell.]

Mr. SHORT. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. SHAFER].

Mr. SHAFER of Michigan. Mr. Chairman, in reply to the statements of my friend and colleague, the gentleman from Alabama, I desire to say that in my mind it is as equally important for this Congress to bring peace and confidence to the private utilities of the Nation as to the utilities of the Tennessee Valley. Adoption of the committee amendments, I am convinced, will go a long way in restoring public confidence in the future of the electric utility industry. The amendments, at the same time, will permit the Tennessee Valley Authority to continue to engage in the activities that it is now undertaking and to carry out additional activities that are now contemplated.

As a member of the T. V. A. subcommittee of the Military Affairs Committee it has been my honor to assist in writing the amendments now before the House. I have attended practically all sessions of the subcommittee during which lengthy testimony was taken. The amendments offered here are predicated on the information obtained during these hearings.

I am convinced that the time has come for this Congress to take action that will convince the Nation that it is greater than the Tennessee Valley Authority. For that reason I believe it is necessary to restrict the future activities of the T. V. A., so far as they are related to the transmission and distribution of electric power, to the area in which those activities are now being carried on, or under contract to be carried on.

I am convinced that accounts and disbursements of T. V. A. should be subject to the procedure of the General Accounting Office, as are all other Government agencies; at the same time the T. V. A. should come under the scrutiny and procedure of the Comptroller General. I am heartily in favor of the amendment to require the Authority to set up out of its revenue a sinking fund to be used to retire all bonds before maturity.

It is to be regretted that Members of Congress have not been given the opportunity to read the printed testimony taken during the hearings of the subcommittee. I deplore the manner in which this legislation has been rushed to the floor of the House. We are called upon to act upon this important legislation even before printed hearings are off the presses. From the beginning we have been—using the words of our distinguished chairman—beseeched, beset, bedogged,

and bedamned to get this legislation to the floor of the House in order that it might be passed and made law before June 20, the date set for the consummation of the contract between the T. V. A. and the Tennessee Electric Power Co. There has been some criticism as to the length of the hearings on this legislation, but for my part I believe we should have had still further hearings. I believe that if the parties to this contract are as agreed as we have been led to believe by proponents of the purchase of the Tennessee Power Co., they could well agree to extend the time limit for the consummation of their transaction and thus enable this Congress to more thoroughly consider the needed legislation.

Much has been said during this debate concerning the testimony of Mr. Wendell Willkie before our subcommittee. I happen to possess one of the very few printed proofs of that able gentleman's testimony. Because of statements made here concerning this testimony, and in regard to Mr. Willkie's attitude, I believe it would be well for me to read some of his statements before the committee.

Mr. Willkie's opening statement was:

I find myself in quite a difficult position, having sat and listened to this presentation of testimony that has just preceded me. I shall not answer it. But I want to say that statements have been made that have been hopelessly and recklessly inaccurate.

Mr. Willkie's statement in urging the committee to recommend the authorization requested by the T. V. A. was as follows:

I am trustee for the security holders who have invested their money in my property. This is not my money. I had to make a choice as to selling this property at the best price I could get or taking my people's money and gambling with it in a long, competitive struggle, and I have made that choice. I think I made a wise choice; and I know, of all people, that I have no persuasive influence with Congress, but insofar as I have any persuasive influence, in the interest of the security holders, for whom I am trustee, I want to use every ounce of it to urge you men to do such things as will make it possible for me to preserve the property of these security holders.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SHAFER of Michigan. I yield to my chairman, the gentleman from Kentucky.

Mr. MAY. I call the gentleman's attention to a statement made in Mr. Willkie's testimony on the question of the amount of money necessary to do just what he asked be done there. He says:

On May 12, 1939, we entered into a contract to sell to T. V. A. and associated municipalities the electric property of the Tennessee Electric Power Co. for \$78,600,000, of which the T. V. A. is to pay approximately \$45,000,000.

Now, they want \$100,000,000 to pay that \$45,000,000.

Mr. SHAFER of Michigan. That is correct.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. SHAFER of Michigan. I yield to the gentleman from Michigan.

Mr. DONDERO. Was the agreement entered into on the same basis as a willing buyer and a willing seller would enter into it, or was there coercion?

Mr. SHAFER of Michigan. I will answer your question by quoting Mr. Willkie's own words before our committee. Mr. Willkie said, in effect:

This deal has made a realist of me. In other words, I am the trustee of the money invested by people in my utilities. They have my back up against the wall. The only thing I can do now is to sell.

I asked Mr. Willkie this question:

Do you believe it is possible for any private utility company to compete with the United States Government?

Mr. Willkie replied:

Can I just state it this way, without going into the reasons, one way or another? The T. V. A. allocates one-half of its investment to flood control and navigation. Now, on our dams we have to maintain all of the costs. Under the present set-up, when we go into competition—that is, when the Federal Government gives 45 percent of the distribution cost. Now, we are good, but we are not that good.

I then asked Mr. Willkie:

So the substance of it all is that you are asking us now to confirm your surrender to the United States Government?

He replied:

I still like to put it on the basis of realism, sir. All I want you to confirm is this discharge of what I look upon as my trusteeship. I want you to confirm a situation that, if it is not confirmed, is disturbing to the market, at a time when the market should not be further disturbed. I want you to confirm a contract concluded.

I can see no possible benefits of this wasteful competition going on. I may say, by the same token, that I doubt that we would have to compete with the remnants of our system. I do not think, under that competition, the municipalities, either, could concede. I think, too, there would be property destruction on both sides.

I know not a man—that is, a man of any thought, whether he believed in the public operation of power or in the private operation of power—but who does not also believe that it should be non-competitive.

Something has been said here of monopolies. Now, note the distinction between public monopoly and private monopoly, or their respective deleterious effects on the public; but I do know, as any student of utility business knows, there is a natural monopoly, and should be such, whether in public or in private hands; and the man who represents the public agency here today sits and pleads for it to be a public monopoly, and in that he is right.

In other words, Mr. Willkie was forced to come before our committee and urge us with all the argument at his command to authorize the completion of the purchase by T. V. A. of the Tennessee Electric Power Co., because he had his back against the wall.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SHAFER of Michigan. I am sorry. I have but a moment remaining in which to complete my statement.

In conclusion I wish to say that I am for the committee amendments in their entirety. They are necessary, as I said in the beginning, to bring about the restoration of public confidence in the future of the electric utility industry in America. These amendments are equally necessary to insure the utility industry against the ever-threatening specter of Government competition. I urge the adoption of the committee amendments. [Applause.]

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield 15 minutes to the gentleman from West Virginia [Mr. EDMISTON].

Mr. EDMISTON. Mr. Chairman, you have been urged by the friends of the T. V. A. here to reject the bill as presented by your committee of the House and accept the Norris amendment as presented by the passage of the bill at the other end of the Capitol and then tagging it on to another measure in that body and sending it over here.

Your committee in the House has contributed a good many hours of work in an honest effort to solve this T. V. A. problem. The Senate held no hearings, they gave the bill no consideration, they accepted it in toto the way Mr. NORRIS wanted it.

Your House committee has worked upon it and through its efforts has brought you this bill. Now, it does curtail the activities of the T. V. A. and I think any sound-thinking man who will look over those activities will certainly want them curtailed. The T. V. A. has operated and now has spent some \$350,000,000 to \$500,000,000 of the people's money. It is a governmental agency that has become bigger than the Government that created it. It has operated arrogantly and ruthlessly, doing just as it pleases, with no regard to fair play, and if this is going to be continued, with no restraint whatever, if the T. V. A. is going to be permitted to expand and build new dams and purchase new power plants, and buy out private utilities, and then with each new site be permitted transmission distances for further expansion, this Congress then can get ready for nothing but one program. We are going to keep going step by step, and will buy out every privately owned utility in the United States. I feel sorry for the investors in the Tennessee Power & Electric Co., but a great many of us in 1933 when we passed the original act told the Congress at that time that this would be the inevitable result. Private industry cannot compete with the Treasury of the United States. The gentleman from Alabama [Mr. SPARKMAN] talks about these amendments to this bill. In the report printed, and which most of you have, those amendments are explained, the seven of them, numbered for you, and it seems to me those explanations are very clear. There is nothing confusing

in these amendments, and why should the T. V. A. object to being under the General Accounting Office; why should it object to having to account for these hundreds of millions of dollars that they are spending of the taxpayers' money? It was true when they were under the Accounting Office before, the General Accounting Office in their own report stated they could not get the T. V. A. to turn over their checks for an accounting of these funds to the General Accounting Office, although they were repeatedly asked for. Are we going to allow any governmental agency to refuse to submit to an audit by the General Accounting Office? If we are, then we are on very dangerous ground.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. EDMISTON. Yes.

Mr. CRAWFORD. In reading the Norris bill I find that this \$100,000,000 to be issued in the form of bonds is to be guaranteed as to principal and interest by the Government of the United States.

Mr. EDMISTON. Yes.

Mr. CRAWFORD. And in reading the House bill I find that the T. V. A. shall fully and unconditionally guarantee the bonds both as to interest and principal.

Mr. EDMISTON. Yes.

Mr. CRAWFORD. Then on page 9 of the bill there is a further provision that—

Prior to each interest date, [the T. V. A. shall] deposit the same in such agency as may be designated from time to time by the Secretary of the Treasury.

Suppose the T. V. A. is unable to meet the interest requirements and the sinking-fund provisions as set out in the bond, then who shall make the guaranty; who stands good?

Mr. EDMISTON. The T. V. A.

Mr. CRAWFORD. Does all of the property of the T. V. A. become collateral for these bonds?

Mr. EDMISTON. I am not a lawyer and I do not know the legal situation, but I presume it would.

Mr. CRAWFORD. I have been trying to get a chance to ask these questions for some time.

Mr. EDMISTON. The committee felt that these should not be United States Treasury bonds.

Mr. CRAWFORD. I agree with the gentleman on that.

Mr. EDMISTON. And the testimony before the committee was that the earnings of the T. V. A. plus the additional earnings when they secured these properties of the Tennessee Power & Electric Co. would amount to \$7,000,000 per year. If they have \$7,000,000 income, there certainly should be no difficulty in disposing of the bonds at 3 or 3½ percent, and with \$7,000,000 income they should have ample to meet the interest and the sinking fund.

Mr. CRAWFORD. The gentleman cannot answer the technical question?

Mr. EDMISTON. If they do default, whether the Treasury will be responsible for the debt? My opinion is that it would not; but I am not a lawyer and I cannot give the gentleman the legal situation.

Mr. CRAWFORD. On page 10 of the bill there is provision that the Corporation shall give the Secretary of the Treasury a bond or bonds. Do I understand that that bond is to be in an amount sufficient to cover 50 percent of the cost of all these improvements and acquisitions?

Mr. EDMISTON. That is my understanding. That question as to the legal attitude was worked out by the legal adviser of the committee, and that is his idea of how to do this. That is the legislative counsel's idea of how legally to make the T. V. A. responsible, and not the Treasury.

Mr. CRAWFORD. It seems to me this goes to the heart of this matter—as to whether you can sell the bonds at 3½ percent interest or less. In other words, what is the security back of the bonds?

Mr. EDMISTON. As I understand it, the security is the Tennessee Valley Authority, which is a corporation.

It was our endeavor to put them, in a measure at least, on a par with other privately owned corporations.

The principle of this whole thing is simply this: If you believe in a socialized state you just continue this T. V. A.

and you will have socialism in America. If you believe in American ideas and ideals that have developed this country to its present state, you will vote to do anything to the T. V. A. to stop socialism advancing in this country. [Applause.]

There is a great deal of talk currently all over the country and some of the advocates of this T. V. A. measure will talk of Americanism at the present time and look at Europe, saying, "We want nothing to do with either this or that sort of 'ism,'" and then we come here with this measure, and if the Tennessee Valley Authority is not socialism to the nth degree, I do not know where you will find it.

Mr. GEYER of California. Will the gentleman yield?

Mr. EDMISTON. I yield.

Mr. GEYER of California. Would you classify the post office as socialism?

Mr. EDMISTON. I would not; but that always has been a Government function and always will be in this country. It has not been a governmental function until recent years to drive privately owned corporations out of business with Federal funds.

Mr. SPARKMAN. Mr. Chairman, will the gentleman yield?

Mr. EDMISTON. I yield.

Mr. SPARKMAN. Does the gentleman believe that the T. V. A. ought to be authorized to dispose of the surplus power that is generated incidental to its work in connection with flood control and navigation?

Mr. EDMISTON. Oh, I have been a member of this committee since 1933, and I say that is all bunk about flood control and navigation. There is no water traffic on the Tennessee River. That is a lot of baloney—this flood control and navigation. [Applause.]

Mr. SPARKMAN. Will the gentleman yield again?

Mr. EDMISTON. I yield.

Mr. SPARKMAN. I do not know whether the gentleman was present or not when the assistant to the vice president of the Louisville & Nashville Railroad testified before our subcommittee to the effect that the increased traffic on the Tennessee River, hauling gasoline, had very seriously reduced the traffic of the Louisville & Nashville Railroad.

Mr. EDMISTON. I am glad the gentleman brought that point up because any of you who are interested in the production of coal or traffic on any of the railroads in this country will be against this hocus-pocus idea. [Applause and laughter.]

Mr. VAN ZANDT. Will the gentleman yield?

Mr. EDMISTON. I yield.

Mr. VAN ZANDT. It is interesting to note that the Louisville & Nashville is about bankrupt.

Mr. EDMISTON. If you keep up this system of government, the whole country will be bankrupt. [Applause.] But do not let them kid you with this talk about navigation and flood control and fertilizer for the farmers. That is a lot of bunk. That is simply a smoke screen to develop power and put American industry out of business. If all the fertilizer they had was given free to the farmers, it would not fertilize as much land as they have flooded down in Tennessee to get dams to make the fertilizer with. [Laughter and applause.]

Another point I want to call to the attention of the House is that under the Senate bill you are giving them \$100,000,000 to do a job that they themselves admit only costs sixty-one and one-half millions. In other words, you are giving them thirty-eight and one-half million dollars more than they themselves say they need. Of course, by looking over their past record, they can spend money pretty fast. They do their spending pretty well and they do not account for it. They just do as they please and keep going. Apparently the body at the other end of the Capitol does not care about it, but if this body does not curtail this business I do not know where we will end.

They denied it in the testimony before the subcommittee, and I have no way to prove it, but my information is that they have been making surveys up and down the Ohio River. Now, they are coming too close to West Virginia to suit me

when they get up to the Ohio River. We do not want any of them up in our country. [Laughter.] The rest of you gentlemen out through the Middle West will find them right in the middle of you if you give them enough money to let them go.

Mr. MAY. Will the gentleman yield?

Mr. EDMISTON. I yield.

Mr. MAY. The gentleman from Missouri in his questioning of the gentleman who was addressing the House a moment ago was much distressed because they had not gotten across the Ohio River already. They wanted to have them get across into Indianapolis and St. Louis and all those places.

Mr. EDMISTON. I think the gentleman from Missouri did say he would like to have it.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. EDMISTON. I yield.

Mr. PATRICK. Does the gentleman say they do not allow surveyors in West Virginia?

Mr. EDMISTON. No; I did not say that; but we do not want the T. V. A. up there surveying us and taking us over, I will tell you that.

Mr. PATRICK. You are objecting to the T. V. A. surveys?

Mr. EDMISTON. Yes, sir.

Mr. PATRICK. You do not mind married surveyors going through there, do you? [Laughter.]

Mr. GEYER of California. Does the gentleman believe that the people who live in the T. V. A. area are opposed to the T. V. A., judging by the votes of the Representatives who come from that district?

Mr. EDMISTON. Oh, no. I think their attitude will change very rapidly when this tax bill which they are taking out of the revenue is dumped back in their laps and they have to pay it. I think their attitude will change in the future, and I hope it does. [Applause.]

The CHAIRMAN. The time of the gentleman from West Virginia has expired.

Mr. SHORT. Mr. Chairman, I yield 15 minutes to myself.

Mr. Chairman, in 1932, at its national convention in Chicago, the Democratic Party wrote and adopted one of the best platforms ever written and adopted by any political party in the history of our Nation. [Applause.] One of the splendid planks in that excellent platform was:

We pledge immediately to take the Government out of competition with private enterprise.

The Governor of New York, flying in dramatic fashion to accept the nomination of his party, accepted and embraced wholeheartedly without crossing a "t" or dotting an "i" that platform including that splendid plank. What a tragedy that this promise and pledge which Candidate Roosevelt said was a covenant to be faithfully kept by the party when entrusted with power has not been kept but totally ignored or entirely forgotten. Instead of taking the Government out of competition with private enterprise this administration has thrust the Federal Government into competition with all kinds of private business. Today Uncle Sam is in the loan and real-estate business, he is in the contracting and the housing business, and now he is in the power business up to his ears. We have heard a lot of condemnation on this floor of the Power Trust. What the Power Trust is, I do not know exactly, but no doubt the gentleman from Mississippi will describe it in infinite and immaculate detail during the afternoon, but I pause to remind you that the utilities in this country are owned by the American people—4,000,000 of our citizens not economic royalists or princes of privilege in Wall Street, 4,000,000 Americans, widows, and even orphans who have estates left in trust, have their own private capital to the extent of \$12,000,000,000 invested in the private utilities of this country. These private utilities employ over 250,000 men and women who make an honorable living at a decent wage. These private utilities pay into the Federal Treasury \$250,000,000 in taxes every year.

What happened in 1933? Immediately after the inauguration of the New Deal we saw this administration going down into the Tennessee Valley, and in order to rescue the nitrate plants built 20 years ago, during the World War, at Muscle Shoals, which the T. V. A. took over at a cost of \$20,000,000 to \$30,000,000, they have spent \$500,000,000, or are going to spend that, to rescue the \$20,000,000 or \$30,000,000 that we had invested in the nitrate plant at Muscle Shoals. That is spending good money in the vain and futile attempt to save bad.

Mr. VOORHIS of California. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I cannot yield at this point. For the benefit, though, and the edification of my friend from California, I want to remind him—I am sure he is aware of the fact—that in the 6-year period from 1922 to 1928 the private utilities in this country spent from \$800,000,000 to \$1,000,000,000 annually in expanding their facilities and in giving men employment; but in the past 6-year period from 1933 to 1939 these utilities that once spent \$1,000,000,000 a year and employed hundreds of thousands of people have cut their expenditures to the minimum, to approximately \$240,000,000 a year, the minimum to keep them up instead of expanding their facilities, because of this destructive force of Government subsidies from the taxpayers' pockets. Mr. Willkie testified before our committee that in this fiscal year the private utilities would have spent one and a half billion dollars if it had not been for the threat of Government competition. Already the Congress of the United States has appropriated or authorized to be expended \$570,000,000 in constructing this series of dams down in the Tennessee Valley. Before we are through with the T. V. A. program I am confident it will cost the taxpayers of this Nation more than a billion dollars.

Why did we pass the Authorization Act in 1933? Because of a hysterical frame of mind this Congress forgot all about States' rights, forgot all about local responsibility of Government. After the election of 1932 the President-elect was led by a distinguished Senator upon the mountain top and shown the Promised Land; he went down into the Tennessee Valley, a country that is sparsely settled, with soil badly eroded, and he started to build dams in the name and under the guise of national defense, navigation, and flood control. Anyone who is familiar with the facts knows there is very little or none of any, but that the primary purpose from the very beginning has always been, is now, and shall continue to be the generation, distribution, and sale of hydroelectric power.

Because of this Government subsidy, because the people, the taxpayers in New England, in New York, New Jersey, Pennsylvania, Ohio, Illinois, and Michigan who pay most of the taxes into the Federal Treasury have had to cough up and shell out to these boys, naturally they went through with the program. They sell that power cheaply, even below the cost of production, in order to invite industries from these northern taxpaying States down into the Tennessee Valley.

I am not going to speak of what the T. V. A. has done to the coal industry—the number of miners it has thrown out of work. I am not going to speak of the loss of revenue to the railroads and the number of railroaders unemployed. I am not going to speak of the haughty, insolent, and arrogant manner in which the T. V. A. has administered this act and gone out of their way to assume unusual authority, stubbornly refusing to recognize existing statutes or regulations as to Government expenditures. I shall not discuss these unpleasant things, but I do stand here today to raise my voice, if I have to raise it alone, to warn you that if you continue this activity much longer you are going to have State socialism in America. [Applause.] If my Government taxes my own private capital invested in utilities, if my Government taxes me to own and regulate a private enterprise and then collects money from taxpayers all over the Nation and comes down and sets up a similar enterprise across the street from me in order to destroy me and dry up the very source of taxation by which the Government itself

is supported, when it does that I say this will no longer be a free country, liberty will take wings and fly, State lines and boundaries and rights and responsibilities will be destroyed and you will have a centralized, autocratic, bureaucracy established in Washington that will hold a club of coercion, of threat, and of intimidation over the heads of its citizens that will bamboozle, bulldoze, and beat them into submission to follow the orders of these little, theoretical, political, professional nincompoops.

Mr. Chairman, this is part of the President's appeasement program for business. It really sounds the death knell for private business. I think we will have to agree that one of the chief causes of this depression and one of the greatest deterrents to economic recovery and return to prosperity is this Government subsidized competition with private business.

Mr. VOORHIS of California. Will the gentleman yield?

Mr. SHORT. I yield to the gentleman from California.

Mr. VOORHIS of California. I would like to ask the gentleman, when did the depression begin?

Mr. SHORT. We inherited the \$26,000,000,000 war debt that you Democrats gave us to keep us out of war in 1916. That is the chief cause. [Applause.] There are other innumerable causes which I cannot enumerate at this time.

Mr. BRADLEY of Pennsylvania. Will the gentleman yield?

Mr. SHORT. With pleasure to my good friend.

Mr. BRADLEY of Pennsylvania. Will the gentleman elucidate upon the many other things that the utility companies and those who controlled them did to the American people in the 6-year period in which the gentleman said they spent so much money? Will he tell what Mr. Doherty did with respect to exploiting and defrauding the American public through the sale of securities at \$67 a share, then using those proceeds to throw a million-dollar debutante party for his daughter and that the gentleman's party did nothing to stop that exploitation?

Mr. SHORT. I understand Mr. Doherty is the one who is the chief and in charge of the President's birthday balls. I do not know. I guess it is Henry L. Doherty the gentleman refers to. [Laughter and applause.]

Mr. BRADLEY of Pennsylvania. Mr. Hoover permitted him to defraud the American public and did nothing about it. Will he also tell about write-ups in valuation of the utilities?

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Wisconsin.

Mr. SCHAFER of Wisconsin. The Pecora stock-market hearing record indicates that Mr. Healy, counsel for the Federal Trade Commission, a 100-percent New Dealer, testified that the rottenest job of robbing and exploiting the American people, so far as fake securities were concerned, was in the case of Cities Service, and that the American people were robbed of more than \$1,400,000,000. Mr. Doherty, the "big shot" in Cities Service, made many millions. Mr. Doherty, since the New Deal has had control of the citadel government in Washington, has slept in one of the twin beds in the White House, and he is President Roosevelt's right-hand man. He has been glorified as head of the birthday ball rackets of Roosevelt.

Mr. BRADLEY of Pennsylvania. That does not answer the question.

Mr. SHORT. I will have to confess that in 1931, under Herbert Hoover, when all of us wanted to get rich quick and take a short cut to success and get something for nothing, I personally bought some Cities Service stock when it was \$20, hoping it would go up to \$40, but it dropped to \$2. But I do not blame Hoover for my own colossal folly and monumental ignorance. [Laughter and applause.] And do not forget, Franklin D. Roosevelt was Governor of New York all this time and did nothing to correct the situation. I do not think the pot should call the kettle black. That has nothing to do with this bill. Besides, I am surprised that my good Irish friend from Philadelphia, MIKE BRADLEY, would even mention or suggest Teapot Dome or any Doherty under any

administration after the experience we have had with the W. P. A.

Mr. BRADLEY of Pennsylvania. We have had a very good experience.

Mr. RICH. Will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Pennsylvania.

Mr. RICH. We not only find that the Government is in business so far as the T. V. A. is concerned, but cannot the gentleman give us some light on the corporations that, through the T. V. A., have been selling all kinds of electrical equipment, that have gone into all kinds of business, and the new corporations that have been set up under the guise of helping the T. V. A.?

Mr. SHORT. All federally incorporated under charters issued by the State of Delaware.

Mr. Chairman, I would like to say something about this bill now.

Mr. PATRICK. Will the gentleman answer the question?

Mr. SHORT. I am going to talk to the gentleman from Alabama.

I am not speaking for Wendell Willkie. Anyone who has met that gentleman or heard him when he appeared before our committee knows he is able to take care of himself with anybody and at any gathering. I do not think he would make a bad President of the United States, but, of course, he carries the stigma of being a successful businessman until the New Deal cut his throat by Government subsidized competition.

Mr. Willkie, president of the Commonwealth & Southern, has been forced to agree with the Tennessee Valley Authority in order to protect the investors and holders of stock in the Tennessee Electric Power Co., the Southern Tennessee Power Co., and other subsidiaries of the Commonwealth & Southern. Mr. Willkie has been forced, he has been coerced, into making a contract and agreement to sell these holding-company properties to the T. V. A. That will take care of not only the companies I mentioned but the 12 counties in Northern Mississippi and the 15 counties in northern Alabama.

[Here the gavel fell.]

Mr. SHORT. Mr. Chairman, I yield myself 5 additional minutes.

Mr. Chairman, let us really see what is in the House bill that the Committee on Military Affairs has brought in here. It provides for five specific, definite things. The first thing it does is to limit the bond authorization to \$61,500,000. Both Mr. Willkie and the T. V. A. agreed, and no member of the committee will deny, that that sum is sufficient to carry out the terms of the contract in which the two parties have entered. So that should be settled. There is no excuse for the \$100,000,000 being tacked on in another bill over in the other body, except that they want to take the extra \$35,000,000 or \$40,000,000 to go into new fields and to spread out further, to buy more privately owned utilities, thereby denying the Federal Government the revenue and the taxes that we now collect.

If we keep on buying everything, I do not know who is really going to pay the taxes to support all this Government activity.

The second thing this House bill does is that the bonds are guaranteed by the T. V. A. and not by the Federal Government.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Michigan.

Mr. CRAWFORD. What is the security back of the bonds? In other words, is this a general mortgage bond or a plain debenture, or just what is the security back of these bonds?

Mr. SHORT. A sinking fund is set up for these bonds and it is supposed that the interest will be paid and the principal will eventually be retired by the profits the proponents of the T. V. A. claim will be made. They claim they now have a \$2,000,000 income, and that the profits derived from the acquisition of these private utilities will add another \$5,000,000, which will make an annual income to the T. V. A. of \$7,000,000. Any business or enterprise that can earn

\$7,000,000 a year can certainly have a sinking fund large enough to retire a \$61,500,000 debt.

Mr. CRAWFORD. What I want to clear up in my mind is, Are they straight income bonds or are they mortgage bonds? That question has not been answered here today.

Mr. SHORT. No; and I doubt if anyone can tell the gentleman that.

Mr. CRAWFORD. We are entitled to know that.

Mr. SHORT. Of course we are entitled to know it, but how can you predict the unpredictable, unknown quantity of a T. V. A. that arrogates unto itself powers mightier than the Federal Government itself?

Mr. CRAWFORD. Why does not the Congress specify what type of bond shall be issued?

Mr. SHORT. Offer such an amendment, and I will vote for it.

Mr. SPARKMAN. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Alabama.

Mr. SPARKMAN. I believe the gentleman will agree with me that as a matter of fact the bonds provided for in this particular bill are simply revenue bonds. When the gentleman says that no one knows, I believe he ought to remember that as a matter of fact that particular amendment was put in the bill on the motion of a Member on the minority side, and very largely with the support of the minority members of the committee.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Kentucky.

Mr. MAY. Speaking of Mr. Willkie's having been coerced into entering into this deal, the gentleman will recall that I asked him if he had not been coerced, and he said:

I dislike very much to use that word, but when I saw them duplicating my distribution systems along the other side of the street I became a realist.

Mr. SHORT. Why, of course.

Mr. CRAWFORD. Mr. Chairman, will the gentleman bear with me for one more question?

Mr. SHORT. I yield.

Mr. CRAWFORD. The bill also provides that the T. V. A. shall give the Secretary of the Treasury a bond, and as I read the bill I understand that bond is to cover 50 percent of the cost of all these improvements and acquisitions we have made down there.

Mr. SHORT. That is correct, as I understand it.

Mr. MAY. I did not fully understand the gentleman's question, but I can explain what the bond provision is. It is that they will issue their own bonds in terms prescribed by the Treasury, and, of course, they will execute a trust indenture to secure those bonds and then allocate, according to the provisions of this bill, enough of their revenue to discharge them and carry them.

Mr. CRAWFORD. Will this bond that runs to the Secretary of the Treasury also be a trust indenture?

Mr. MAY. Yes.

Mr. CRAWFORD. Then who will have first claim on the revenue of the Corporation; the public, who hold \$61,500,000 of bonds, or the Treasury?

Mr. MAY. The bondholders will have the part that is set apart to them as a sinking fund, and the remainder of the revenue, which will be a very large revenue, according to their own statements, will be open for the Government to put into the Treasury.

[Here the gavel fell.]

Mr. SHORT. Mr. Chairman, I yield myself 5 additional minutes.

Mr. RICH. Mr. Chairman, will the gentleman yield that I may ask a question of the gentleman from Kentucky?

Mr. SHORT. I yield.

Mr. RICH. Will the interest on these bonds come in ahead of the 5 percent that is to be paid to the State of Alabama and to the State of Tennessee because of the fact that the Government spent the money down there?

Mr. MAY. There is a special provision in the bill that provides that those two items shall not be interfered with.

Mr. SHORT. If gentlemen will desist for a moment, I would like to conclude my statement.

Mr. RICH. May I ask the gentleman from Missouri if he does not believe that the 5 percent that is paid to the State of Alabama and to the State of Tennessee is a very high tribute to be paid for the Federal Government's spending this great sum of money in that territory?

Mr. SHORT. Of course, in Tennessee they want us to come down and build high dams that cost millions of dollars to generate cheap electric power, and then they want Uncle Sam to pay them for covering up and inundating their most fertile farm land. They want us to help them and then make us pay for the damage done.

Mr. RICH. In other words, they catch us coming and going.

Mr. SHORT. Oh, yes; they have the cake and eat it, too.

Mr. DONDERO. Mr. Chairman, will the gentleman yield?

Mr. SHORT. I yield to the gentleman from Michigan.

Mr. DONDERO. If my understanding is correct of the explanation of the bond issue made by the gentleman from Kentucky, this bond issue really becomes a first mortgage on the T. V. A. property, but then what becomes of the interest of the Government of the United States?

Mr. MAY. It becomes a first mortgage only to the extent of the amount of money that is set aside in a sinking fund to take care of it. Of course, under the proof before us it will not take \$2,000,000 a year to carry the sinking fund.

Mr. DONDERO. And not on the physical properties of the Government?

Mr. MAY. No.

Mr. SHORT. Mr. Chairman, I cannot yield further.

I wish to say this in conclusion: The statement has been repeatedly made here that a deliberate attempt is being made by certain Members of the House on both sides of the aisle to knock in the head or cut the throat or tear the heart out of T. V. A.

This House bill does not do that. I think any Member here will realize that in view of the fact the Government has invested so much money down there, we should not allow it all to go to waste, but we do say that the activities of the T. V. A. should be confined to the watershed of the Tennessee Valley, and that is what the House bill does. It provides that you can go as far as you can, but we are not going to let you go any further, and we are going to confine the activities to the drainage area of the Tennessee River, a portion of the drainage area of the Cumberland River, and to the 27 counties enumerated in the bill that are located in northern Alabama and northern Mississippi.

Mr. PATRICK. Mr. Chairman, will the gentleman yield just 1 minute?

Mr. SHORT. I yield.

Mr. PATRICK. The gentleman confesses or at least states that he is entirely unfriendly to the development of T. V. A. I suppose the speech he has made this afternoon has not been complimentary to T. V. A., has it, and he is supporting this bill.

Mr. SHORT. I cannot yield any further. If the gentleman wants to know what I think of the T. V. A., I think it is a God awful mess that we should never have entered into, and if we continue this State socialism it is absolutely going to bankrupt this country financially and it will destroy us morally and politically. That is what it will do.

Now, I refuse to yield further.

Mr. PATRICK. Let me finish the question.

Mr. SHORT. I refuse to yield further. The gentleman wanted to know what I thought of T. V. A., and I have told him. I try to make it so clear that even a wayfaring man with a thimbleful of brains should understand my position when I say that when the Government has invested hundreds of millions of dollars in the Tennessee Valley it would be folly for us to try to wreck the whole program. We are not trying to wreck it, but we are trying to limit the area of its activity and to prevent further huge expenditures out of the Federal Treasury.

Mr. PATRICK. Well, you are trying—

Mr. SHORT. Sit down.

Mr. PATRICK. I thank the gentleman for his extreme courtesy.

Mr. SHORT. I shall not discuss the courtesy the gentleman has shown by his constant and unwelcome interruptions.

Mr. PATRICK. I am sorry if I hurt my friend's feelings. I will write him a letter of apology.

Mr. MARTIN of Massachusetts. Mr. Chairman, I demand the regular order.

Mr. SHORT. This bill does seven things:

It limits the bond authorization to \$61,500,000.

These bonds are guaranteed by the T. V. A. and not by the Federal Government.

The bond proceeds cannot be used in any contract until approved by the Federal Treasury.

Expenditures are to be accounted for through the Comptroller General, just as other expenditures of Government agencies are required to be accounted for.

A sinking fund is set up for the bonds.

The area of operations under the act is limited to the Tennessee watershed and immediate adjacent territory.

The provision stating it is the intention of Congress that any tax loss must be recovered by the States in such manner as each may see fit, from the persons benefited by the use of electric power generated by the Corporation, and in all fairness, why should not the recipients of the benefits of this cheap power be required to foot the bill? [Applause.]

This is honest, this is fair, and it is American.

Mr. Chairman, this is an important measure. Its momentous consequences are far-reaching and this House this afternoon is going to decide whether or not we shall continue America under a system of private enterprise and individual initiative, or whether we shall set up a paternalistic, bureaucratic, centralized government in Washington that in the end will rob the American people of their liberties. [Applause.]

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. THOMASON].

Mr. THOMASON. Mr. Chairman, I am sure we all enjoyed our delightful friend who has just preceded me, the gentleman from Missouri [Mr. SHORT]. Of course, he is always temperate in all his remarks. He would not think of injecting any politics or partisanship into any kind of issue, and he is always very kind and gentle about anything that the present administration may have sponsored. In these days, however, of cheap electricity, it seems to me a little unfortunate that we cannot have a little more light and a little less heat on this important question, because it is very evident to me that this is rapidly becoming another partisan issue, when there is but one issue on earth involved in this bit of legislation. I shall try to appeal to your intelligence and judgment if I may during the few minutes the chairman has allotted to me. I am not one of those who claims that the T. V. A. is perfect. I live about 2,000 miles from the T. V. A. and it is nothing to me except I believe in the principles and policies back of it, and I have not forgotten the vote that was cast here in 1933 when almost every Democrat voted for it as well as a good many Republicans, and I recall again in 1935 when the act was amended that this Congress by an overwhelming majority said that we believe in the principles and policies of the T. V. A., and those who criticize its directors today are the very ones who gave them the authority under which they are now acting.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. Yes.

Mr. RICH. Does the gentleman mean to say that all of the Members of Congress who were here in 1933 gave their consent to set the Government up in business?

Mr. THOMASON. I say that practically every Democrat and a great many Republicans who are here today and who were here in 1933 gave the T. V. A. their unqualified endorsement.

Mr. RICH. And I say to the gentleman as a Republican that I have always been against it and I have made up my mind that the wise thing to do would be to give the T. V. A. to the States of Alabama and Tennessee, and let them wind

it up, but no, they come back here and want the United States Government to continue it.

Mr. THOMASON. I do not yield further. The gentleman and I just disagree on the policies involved; but I say this, that in spite of the few mistakes that have been made, and of the nearly \$500,000,000 that they have spent, I undertake to say, and the people of the States affected will agree with me, that it is one of the most constructive enterprises ever undertaken by any government.

Mr. RICH rose.

Mr. THOMASON. I do not yield, because the Chairman has given me only 10 minutes, and I am one of those who belong to this school of thought; namely, that the rivers and navigable streams of this country belong to the people of the Nation. [Applause.] In view of the glorious history of the Tennessee Valley, and its business and towns, when this Congress, as spokesman of the American people, said that we want flood control and navigation in that country; also, that if we are going to build dams we will generate the power and we will use that power and generate electricity to bless the people of that section and help to bring about prosperity and new hope in life. I actively supported the T. V. A. Act, because electricity in this modern age, next to food and water itself, is the greatest necessity of modern-day life; and this very T. V. A. has brought happiness and contentment to untold thousands of people in that valley. I went all through that valley last summer, as a member of the joint investigation committee, and I see my good friends back there on the minority side, the gentleman from New Jersey [Mr. WOLVERTON] and the gentleman from Ohio [Mr. JENKINS] who rendered constructive service because they were not actuated by hate or unfairness. I am sorry that a few in this debate have injected into it the spirit of animosity.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. Yes.

Mr. RANKIN. And the Tennessee Valley Authority has been influential in lowering the rates of electric light and power in every State of the Union.

Mr. THOMASON. I know that, and so does every other fair-minded person. Some of the gentlemen who have preceded me have talked about the situation 6 or 8 years ago. Oh, yes; I remember the Insull days, the days of the old holding companies, and I am one of those who is glad that cheap electricity is now coming to be within the reach of every human being, where he can have light for his home and power for his barn, and also can have a radio and some of the modern conveniences of life. Cheap electricity is making country life attractive. I want to help bring electricity to every home in America. My time is brief, but nevertheless here is the question involved, Do you want to see this bill consummated along the lines that the gentleman from Ohio [Mr. JENKINS] and the gentleman from New Jersey [Mr. WOLVERTON] recommended in the minority report of the joint investigating committee?

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. Yes.

Mr. MAY. I wish to extend the gentleman's time for 5 minutes lest he may feel that I have not treated him properly. I make the time 15 minutes.

Mr. SHORT. Mr. Chairman, and I would like to yield the gentleman some time also.

Mr. THOMASON. Thank you very much and I am glad to take the time, but I do not want to take it at the expense of someone else who may want to use the time, and to whom it has been promised.

Mr. HALLECK. Will the gentleman yield?

Mr. THOMASON. I yield.

Mr. HALLECK. Do I understand that the gentleman favors the duplication of T. V. A.'s all over the country, wherever there may be water power?

Mr. THOMASON. No; but I say that when the Government dams up streams that belong to the people, for flood control and navigation, and in that process power is generated the people of this country are entitled to the benefits of electricity at a proper, reasonable, and just price. [Applause.]

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. RICH. Does the gentleman feel that the Federal Government should go in and take over seven power districts as recommended by the President of the United States and set up T. V. A.'s all over the United States?

Mr. THOMASON. I am a good deal like the gentleman from Missouri [Mr. SHORT] when a river and harbor bill comes up, or like the gentleman from Massachusetts [Mr. CLASON] when he wants a dam up in New England. I just think that whenever the Government sees fit to build a dam across one of its great rivers and as a result of that development, for the benefit of navigation, flood control, national defense, the manufacture of fertilizer, power is generated as a byproduct, it ought to be put to benefit for humankind.

Now, there is but one issue left in this bill. Of course, I say this without any criticism, because it is not in my nature to accuse anybody of improper motives, but, as my young and very able friend from Alabama [Mr. SPARKMAN] said:

If you pass this bill as it has come out of the committee, it is nothing but a wrecking bill, with no hope in this world of passage—

When there is but one thing left to it; that is, do you want this trade consummated between the Commonwealth & Southern and the T. V. A., which I undertake to say is favored by everybody in every affected State—by every Governor; by the Taxpayers League, that somebody quoted from this morning; by the county judges of every county; by rural cooperatives in every community; by an overwhelming majority of the United States Senate; by the able Mr. Willkie himself, and do not forget that he is able to take care of himself under any conditions.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. MAY. The gentleman is not willing to tell the House of Representatives, under the testimony in this record, that they cannot close this deal at \$65,000,000, is he?

Mr. THOMASON. Well, I say this about that: It seems to me when Mr. Willkie comes before our committee and says that he, the officers, stockholders, and bondholders of his company will get absolutely dollar for dollar if the Senate bill is passed, when if it does not pass they may not get 10 cents on the dollar, that even my friend like the gentleman from Missouri [Mr. SHORT] would say, "Let these innocent bondholders and stockholders get their money and let us stop this fight." Let us not permit our prejudice to run away with us when everybody affected wants this deal to go through.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. SHORT. Did Mr. Willkie endorse either the House bill or the Senate bill? Did he?

Mr. THOMASON. Yes; he said he wanted the Senate bill, or in substance that.

Mr. SHORT. No; he did not say that.

Mr. THOMASON. Of course, he said he wanted this kind of a bill passed.

Mr. SHORT. Someone is badly mistaken, and a lot of us are under the impression that he did not endorse any bill; but he wanted legislation that would enable him to carry out the contract, and he said this sum of money would do it.

Mr. THOMASON. I do not know whether he called the bill by the name of the author, but I know that we were considering the Senate bill at that time, and he said he wanted that passed, because there had been an agreement between all the parties; there had been a meeting of the minds; that time was of the essence of this contract and it had to be closed by June 20th, and he begged and plead with the committee to let this trade go through.

Mr. SHORT. And we are going to give it to him in our bill.

Mr. THOMASON. You are not if you start your wrecking crew putting on every conceivable kind of amendment.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. MAY. Will the gentleman pardon me if I call attention to a quotation from Mr. Willkie?

Mr. THOMASON. If it is not too long.

Mr. MAY. "On May 12, 1939, we entered into a contract to sell to T. V. A. and associated municipalities the electric properties of the Tennessee Electric Power for \$78,600,000, of which the T. V. A. is to pay approximately \$45,000,000."

Mr. THOMASON. Of course, it is a terrible effort for my friend from Kentucky [Mr. MAY] and my friend from Missouri [Mr. SHORT] to be fair toward T. V. A., because of their bitter feeling against it; but nevertheless whenever Mr. Willkie comes here and says, "the directors of the T. V. A. and I and my company have reached a fair agreement, where everybody is satisfied," I do not know why you want to drag this thing through all this process just because of your hatred of T. V. A. If you want the Commonwealth & Southern stockholders to get their money, if you want all the parties at interest, including those cities and towns and rural communities to be satisfied with the whole deal, then you ought to pass the Senate bill.

Mr. RAYBURN. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. RAYBURN. All of this issue about whether or not there should be T. V. A. is not involved in this question, is it?

Mr. THOMASON. As Mr. Willkie so well said—and he is an able man, do not be fooled about that—he said:

I am a realist. The T. V. A. is here. The American people and the American Congress have spoken.

The important aim and effort has been to consummate a fair deal and that is all there is to the present proposition.

Mr. RAYBURN. Is not the issue this, that Mr. Willkie and the T. V. A. have come to an understanding, have made as near a contract as they could make, and that this bill asks the Congress to confirm that agreement?

Mr. THOMASON. The Senate bill has but one objective and only one, and that is to consummate this trade by authorizing the T. V. A. to buy the generating plants along with the distribution lines. That is all there is in the bill. It ought to pass exactly that way. [Applause.]

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. SCHAFER of Wisconsin. I want to ask a question for information, for I have not as yet reached a decision as to how I shall vote on the bill.

Mr. THOMASON. I can instruct the gentleman on that, but will have to do it when I have more time.

Mr. SCHAFER of Wisconsin. The gentleman indicated a relationship between power dams and flood-control dams. I was under the impression that they were directly opposed to each other, that you needed high dams full of water for hydroelectric power but that you needed low dams with empty basins behind them for flood control.

Mr. THOMASON. The gentleman is not going to get me off on such a detour as that at this time.

Mr. HARNESS. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. HARNESS. The gentleman from Alabama made the statement that if this bill were enacted, it would take the heart out of T. V. A. and destroy it. Neither he nor the gentleman from Texas has yet told us why.

Mr. THOMASON. Because you are going to load it down with amendments and leave it to a conference to get any legislation on the subject, which means that this trade will not be consummated and that competition will go on to the ruination of both.

Mr. HARNESS. Is it not true that the bill we reported, if passed, will carry out this very thing?

Mr. THOMASON. There is but one question involved. Let us forget our feelings about the T. V. A., even though you are as bitter against it as my friend from Missouri and my friend from Kentucky; in the interest of all concerned, including innocent stockholders and bondholders, in the interest of the utilities themselves, why not let this trade be consummated and then fight out the question of these amendments?

Mr. HARNESS. That is what I say; this bill would do it.

Mr. WOLVERTON of New Jersey. Mr. Chairman, will the gentleman yield?

Mr. THOMASON. I yield.

Mr. WOLVERTON of New Jersey. As the gentleman knows, it was my privilege to serve with the distinguished gentleman from Texas on the T. V. A. Investigating Committee.

Mr. THOMASON. Yes; and I had a great deal of pleasure out of that association, because the gentleman was fair, and I place a high value on his friendship.

Mr. WOLVERTON of New Jersey. I thank the gentleman. To confirm the thought that the minority sought to have the entire investigation conducted from the standpoint that T. V. A. was in existence, and with a desire upon our part to see that it was administered properly—

Mr. THOMASON. I must ask my colleague to make his question brief.

Mr. WOLVERTON of New Jersey. I want to read a small excerpt from the minority report.

Mr. THOMASON. I cannot yield for that, for I understand my time has about expired.

Mr. WOLVERTON of New Jersey. I will see that the gentleman gets additional time.

Mr. THOMASON. If the gentleman does that, I yield.

Mr. WOLVERTON of New Jersey. To substantiate the thought you have expressed that this bill is carrying out a principle that was advocated by the minority of the T. V. A. Investigating Committee—

Mr. THOMASON. That is absolutely right.

Mr. WOLVERTON of New Jersey. I wish to read that portion of the minority report, and I take pride in doing so, because it seems to me that this subsequent action of purchase by the T. V. A. is in direct support of what the minority recommended in this respect. I read from the minority report, as follows:

We are of the opinion that if and when the Federal Government considers it advisable to establish publicly owned power facilities in localities already served by private companies, the Federal Government, in order to avoid duplication of such service, should purchase the property involved at a price determined either by negotiation, arbitration, or by condemnation, in the latter case provision being made to preclude unnecessary delay incident to legal action.

Mr. THOMASON. I thank the gentleman, and will answer by asking a question, and that question is whether that is not just exactly what the Senate bill undertakes to accomplish.

Mr. WOLVERTON of New Jersey. I am of that opinion. [Applause.]

Mr. THOMASON. I thank the gentleman.

Mr. WOLVERTON of New Jersey. May I read the remaining portion of the minority recommendation?

[Here the gavel fell.]

Mr. SHORT. Mr. Chairman, I yield 2 additional minutes to the gentleman from Texas.

Mr. THOMASON. I thank the gentleman, but think I will not need all of the 2 minutes. I thank the gentleman from New Jersey for having read that excerpt from the minority report. The conditions that the minority wanted fulfilled have been met exactly in the bill passed by the Senate. In the interest of fairness to all concerned and to clarify the situation, we should pass the Senate bill, and I have every confidence that this bill will pass by a big majority. [Applause.]

Mr. MAY. Mr. Chairman, I yield myself 2 minutes for the purpose of asking the gentleman from New Jersey [Mr. WOLVERTON] a question.

The gentleman from New Jersey has stated that this bill will carry out the policy enunciated by the committee which investigated the Tennessee Valley Authority. Does the gentleman mean to say that the House bill reported by the Military Affairs Committee does not permit the carrying out of that idea?

Mr. WOLVERTON of New Jersey. I had no such thought in my mind. In fact, the contrary is what I did have in mind. I do not wish to convey the thought that the House bill does not carry out the principle for which the minority stands. I think it carries it out to the fullest degree. When the House bill fixes \$65,000,000 instead of \$100,000,000 it certainly is not deviating from the principle that was set forth in the minority report.

I was emphasizing to the gentleman from Texas the fact that the minority Members were of the opinion that before the Federal Government should go into any business, particularly that which we had under investigation, it should first endeavor by negotiation, or arbitration or condemnation, to take over existing utilities that were already serving the locality instead of going into competition with them. I am strongly of the opinion that when the people desire to operate any utility they have the inherent right to do so, but, it should not be done until existing facilities and the investors in such have been properly compensated for their property. This is nothing more or less than a recognition of fair play and honesty in government.

May I finish quoting from the report? It reads as follows:

By the adoption of such a national policy, all public interest could be served without doing an injustice to individuals who have invested their money in a private enterprise at a time when private initiative was the prevailing policy of government.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield myself 1 additional minute.

The gentleman from New Jersey, no doubt, recalls the fact that he was a member of the House Military Affairs Committee at the time the original Tennessee Valley Authority Act was under consideration, or shortly thereafter?

Mr. WOLVERTON of New Jersey. Yes.

Mr. MAY. He recalls, of course, that at that time I took the position that the very thing that has occurred would occur under that administration, that they would jeopardize and destroy private investment and go into direct competition with private interests.

Mr. WOLVERTON of New Jersey. I want no misunderstanding as to what my position is in this matter. I will vote for the House bill, first because it does recognize the principle that I have referred to as a part of the minority report. It seems from all who have spoken that \$65,000,000 is sufficient to effect the purposes of the bill. In the second place, as I understand it, this bill limits or defines the area in which the T. V. A. shall operate. I think there is nothing more disturbing than to have a situation of uncertainty exist as to what shall be the area in which the T. V. A. shall operate.

[Here the gavel fell.]

Mr. SHORT. Mr. Chairman, I yield the gentleman 6 additional minutes.

Mr. WOLVERTON of New Jersey. So that when this bill by its terms fixes the area in which the T. V. A. is to operate, I think it has established a principle that will be most worth while in that whole locality, and certainly will do no harm to those who have received benefits from the T. V. A. operation.

A third reason that would prompt me to vote for this bill is the fact that in unmistakable language it brings the T. V. A. within the jurisdiction of the Comptroller General to examine its accounts and determine whether its expenditures are within the law. This is no different than now applies to all other governmental agencies.

There was nothing more disturbing to us in the conduct of the investigation than to have presented to us the fact that the T. V. A. officials denied the right of the Comptroller General's Office to investigate its affairs. The necessity for that is plainly set forth in the minority report. The present comptroller of the T. V. A., who has held that office now for about a year, appeared before our committee and in his own words, voluntarily given, not in answer to questions, but as an expression entirely of his own thought in the matter, stated that when he went to the T. V. A. offices at Knoxville for the purpose of examining their books of account, he said, "I was appalled at the condition."

He said further:

I was unable to strike a balance on the basis of those books.

He further stated:

I do not want to be asked to explain the conflicting statements that were made in reports to Congress.

That is no conclusion of a minority Member. I have in brief stated to you the opinion and conclusions of the present comptroller of the T. V. A. I do not believe there is any agency of Government that should be above the Government itself, as expressed in the statutes of Congress, yet that is what it would seem to me has been the attitude of T. V. A. with reference to its accounting set-up and its refusal to recognize the Comptroller General as the agent of Congress to examine its books of account.

May I go further? If the gentlemen of the House will read the report submitted by the Federal Power Commission, a New Deal agency, as to the difficulties it has had in getting a proper statement or report from the T. V. A. with reference to its operating cost, expenditures, revenues, and so forth, as required by the rules and regulations of the Federal Power Commission then you will very readily understand why I am emphasizing this point. I am not doing it because of any unfriendly attitude toward the T. V. A. I have voted for every dollar that has been expended down there.

As a matter of fact, our minority report said that if an experiment of this kind is to be carried on there is no place where it can be done to better advantage than in the Tennessee Valley. Of course, those facts showing the fair and impartial attitude taken by the minority Members are never brought to the attention of the House by those who speak against the minority.

The fact is that the minority report justifies itself today when the committee brings before the House this bill that carries out the most fundamental recommendation that we made in our report, namely, that Federal funds should not be used in competition with a private industry that has established itself as a result of a policy of private initiative recognized by law.

Mr. MAY. Will the gentleman yield?

Mr. WOLVERTON of New Jersey. I yield to the gentleman from Kentucky.

Mr. MAY. Then I take it that the gentleman thinks it was wise on the part of the Military Affairs Committee to place in this legislation a requirement that they be audited by the Comptroller General?

Mr. WOLVERTON of New Jersey. There is no other conclusion I could come to from the experience I had as a member of the investigating committee.

There were approximately \$20,000,000 of expenditures to which the General Accounting Office had taken exception. Of that amount \$14,000,000 has been explained in one way or another, leaving \$6,000,000 at the present time that has never been explained in any way whatsoever. I could point out, if I had the opportunity and the time, circumstances by the score that the General Accounting Office has pointed to as not having come within its idea of the law as fixed by Congress.

Mr. SHORT. Will the gentleman yield?

Mr. WOLVERTON of New Jersey. I yield to the gentleman from Missouri.

Mr. SHORT. Yet these untouchable holier-than-thous say that anyone who stands up and dares oppose this Tennessee Valley Authority is a bitter partisan, if not even intimating we are downright dishonest.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield at that point?

Mr. WOLVERTON of New Jersey. I have just a thought I wish to express in conclusion, and it is this: I believe I am well enough known in this House that the Members know I have been independent in my thought and in my action, probably sometimes to my own detriment if viewed from a strictly partisan viewpoint. However, I have never yet done anything other than what I thought was the right thing to be done when casting my votes in this House. I went into the investigation of the T. V. A. not as an enemy of T. V. A., for I had supported it, I had voted for its appropriations, and had never done anything other than to be friendly from the standpoint of its being a great experiment.

Mr. BARDEN. Mr. Chairman, will the gentleman yield?

Mr. WOLVERTON of New Jersey. When I went into that investigation, it was with only one thought—not of wrecking the T. V. A. because the dams were there and the power-houses were there, and they were not to be pulled down—and the one thought that dominated me was that if this great experiment on the part of our Government is to be worth while, then it should and must be conducted in a way that will create confidence in it, or at least have the truth known with respect to it.

[Here the gavel fell.]

Mr. SHORT. Mr. Chairman, I yield 2 additional minutes to the gentleman from New Jersey.

Mr. THOMAS F. FORD. Will the gentleman just answer one question?

Mr. WOLVERTON of New Jersey. I went into that investigation with only one thought in mind, to determine whether the will of Congress as expressed in the act of 1933 was being carried out as Congress intended it should be. There was not the least spirit of rancor or partisanship in my attitude in the investigation. I sought to be judicial. I never made a speech, although I had many, many opportunities to do so, broadcasting and otherwise, while I served on that committee. I never spoke on the subject until after the committee had made its report. I endeavored to treat the investigation as judicially as it was possible for me to do.

Mr. BARDEN and Mr. THOMAS F. FORD rose.

Mr. WOLVERTON of New Jersey. I yield first to my friend the gentleman from North Carolina, who served with me on the committee to which I have referred.

Mr. BARDEN. I was about to ask the gentleman if he is the same gentleman who was so bitter toward T. V. A. on the committee, after hearing the gentleman express his attitude at this time.

Mr. WOLVERTON of New Jersey. Is that the only question the gentleman has to ask? I will answer it.

Mr. BARDEN. Yes.

Mr. WOLVERTON of New Jersey. Just let me answer that question first.

Mr. BARDEN. All right; answer that one.

Mr. WOLVERTON of New Jersey. The gentleman from North Carolina, for whom I have the highest regard, unfortunately was not able to differentiate between partisanship and the fulfillment of an obligation that had been placed upon me by this House. [Applause.]

Mr. BARDEN. May I ask what it was that was prompting the gentleman?

Mr. WOLVERTON of New Jersey. I never sought to do anything other than to come back to this House and give it the information it sought. Not an investigator was given to the minority to carry out this purpose. All we could do was to ask questions, and we did it to the best of our ability, and made a report of which we are proud. [Applause.]

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee [Mr. PEARSON].

Mr. PEARSON. Mr. Chairman, I presume what I have to say to the Committee at this moment is possibly out of place, but I would like to have the attention of the distinguished gentleman from Missouri while I say it. I hardly think that anything a man may say on this floor at this time, with the House in its present temper, could convince anyone of anything, but I am somewhat of a sentimentalist, and I have sat on the floor this afternoon and listened to the distinguished gentleman from Missouri and other distinguished gentlemen say things somewhat derogatory, if not in derision, of my State. I would feel untrue to my obligation if I did not undertake to answer in part what these gentlemen have had to say.

I wish to say to the gentleman from Missouri that, despite his conviction as to what the people in Tennessee may want, we are not asking this Congress to give the State of Tennessee anything that in sound judgment and good legislation it does not deserve and merit; we are not plead-

ing; we are not begging. The Tennessee Valley Authority is the creature of Congress and was given to the great State of Tennessee under the leadership of a great party that has done a good part by the State of Tennessee. We may be the stepchild of the party for whom the gentleman from Missouri speaks, but, thank God, we are the child and heir of the party we know as the great democracy of this country, that is striving to do something material for the upbuilding of a State that is none the less great because it happens to sit by the side of the great State of Missouri. The rivers of Tennessee belong to the people of this Nation, not exclusively to Tennessee; and since Congress has determined that this great natural resource should be, and has in part been developed, the people of the State approve what has been done and want to see the program consummated.

We are not asking Congress to give us the Tennessee Valley Authority with its consequent benefits and following with a request that you pay the taxes on the property it has taken off our tax rolls; not at all. No member of the Tennessee delegation has made any such request at the present time. It is a problem which must and will be considered; and if the T. V. A. and the States and counties cannot solve it, then Congress may be called upon to take appropriate action. We say to the Congress of the United States, if the Tennessee Valley Authority, which has been created in the wisdom of this legislative body, is worth its salt, if it is worth the money which you have put into it, then why in good judgment should we sit here this afternoon and commit the foolish act of utterly destroying the things which the Tennessee Valley Authority is trying to do? If we adopt the bill which has been reported out of the House Committee on Military Affairs, the activities and the benefits consequent to those activities of the Tennessee Valley Authority will be brought to a close.

Ever since it has been in existence my Republican friends on this side of the aisle have complained of the Tennessee Valley Authority because, they said, it was unfair competition in that it was robbing investors of money which they had put into public utilities, yet this afternoon we have the strange spectacle of the same gentlemen who have fought for that principle standing on this floor and appealing to this House to defeat the only piece of legislation which has ever been presented which would make it possible for the Authority to deal fairly with those for whom you purported to speak.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. Chairman, will the gentleman yield?

Mr. PEARSON. I yield to the gentleman from Kentucky.

Mr. MAY. The gentleman has said that the bill in effect wrecks the Tennessee Valley Authority. Has the gentleman read the bill?

Mr. PEARSON. I certainly have read it or I would not have made any such statement.

Mr. MAY. I did not know whether the gentleman had had an opportunity to do that or not. I have not had time to read all the reports about it myself.

Mr. PEARSON. I would like to say to the gentleman that I am not in the habit of expressing my opinion about legislation without having read it. [Applause.] Not only have I read it, but I was present in the Committee on Military Affairs and heard the testimony, and none of the testimony I have heard justified a single amendment which has been offered by the Committee on Military Affairs to this House. [Applause.]

Mr. MAY. Would the gentleman say that the \$65,000,000 provided in the amendment would not carry out the contract?

[Here the gavel fell.]

Mr. PEARSON. I would be glad to answer that, Mr. Chairman, if the gentleman would give me another minute.

Mr. SHORT. Mr. Chairman, I yield 10 minutes to the gentleman from Wisconsin [Mr. BOLLES].

Mr. BOLLES. Mr. Chairman, I am a seeker after truth. I am an investigator of legislation. I have been saddened by the spectacle here this afternoon of those who pretend that if this bill should be passed it will destroy the T. V. A. I had supposed that the T. V. A. was so solidly anchored that no act of legislation, except one that would completely destroy it by removing it from the picture, could do anything of the kind.

Mr. THOMAS F. FORD. Mr. Chairman, will the gentleman yield?

Mr. BOLLES. Yes.

Mr. THOMAS F. FORD. Then you have not had much experience in legislation.

Mr. BOLLES. I have had a lot of it.

Mr. THOMAS F. FORD. No; you have not, because these amendments, every one of them, were prepared by a wrecking crew and will wreck the thing absolutely.

Mr. BOLLES. So you say [laughter], and your opinion, you know, Mr. FORD, I may say is no better than mine, because when I was a reporter on the Toledo Blade you were selling book-binding stuff for a printing office. [Laughter.]

Mr. THOMAS F. FORD. I could tell a story about your reporting too, but I will not do it.

Mr. BOLLES. All right, I will see you tomorrow.

I spent 42 days down in the Tennessee Valley. I went from the head of the Tennessee Valley way up in Virginia, in Tazewell County, to Paducah, Ky., and do you know I tried to get a steamboat ride from Paducah up the Tennessee River and there was not any and I offered \$25 and advertised it in the Chattanooga News to anybody who would send me a photograph of a steamboat on the Tennessee River, and nobody got the \$25 because nobody claimed it. I wrote these 16 columns I have here about the Tennessee Valley. I wondered at that because I had lived in a little town called Graysville, Tenn., for over a year and was interested in a coal mine there, where I lost more money than I ever got as a year's salary in Congress. [Laughter.]

I tried to find navigation there and I have challenged the distinguished gentleman from Mississippi [Mr. RANKIN] over here to show me some navigation on the Tennessee River. He has never been able to do it. I have a chart which I had prepared the other day—

Mr. RANKIN and Mr. SPARKMAN rose.

Mr. BOLLES. I am talking about the gentleman from Mississippi [Mr. RANKIN] and yield to him.

Mr. RANKIN. If the gentleman from Wisconsin went from the mouth of the Tennessee to its head and did not see any sign of navigation, of course, I cannot show him any.

Mr. BOLLES. I have gone from one end to the other of that river. You could not start from Knoxville and take a rowboat up that river.

Mr. RANKIN. If that is all the gentleman learned from going down there and looking over what has been done, it is not necessary to argue with the gentleman about it.

Mr. THOMAS F. FORD. That is characteristic of a newspaper reporter.

Mr. RANKIN. If the gentleman went from one end of the Tennessee River to the other and saw no signs of navigation, of course, I cannot show him any.

Mr. BOLLES. I just want to say that every time I hear about the Tennessee Valley and T. V. A., I am confronted with the fact or with the statement that a part of the price paid for electricity is subtracted by reason of navigation.

I challenge anybody from Tennessee or the valley or anywhere else to show that there is any profitable or usable navigation in the whole area.

Mr. PEARSON. Mr. Chairman, will the gentleman yield to me?

Mr. BOLLES. Yes.

Mr. PEARSON. I accept the gentleman's challenge and refer him to the last report issued by the Tennessee Valley Authority.

Mr. BOLLES. I have it right here.

Mr. PEARSON. If the gentleman will take the time to read it, he will find to his own satisfaction that the naviga-

tion on the Tennessee River has increased manifold as a result of the work done there.

Mr. BOLLES. I agree with the gentleman, and does the gentleman know why? It is because they are carrying the stuff from one end of the river to the other in order to make the dams and when the dams are done there will not be anything to carry. There is the chart. The gentleman never saw this chart?

Mr. PEARSON. Will the gentleman yield to me?

Mr. BOLLES. No; I will not yield. I am going to tell my story. There are the forest products which you see on the chart.

Mr. GORE. Mr. Chairman, will the gentleman yield to me—another gentleman from Tennessee?

Mr. BOLLES. No; I refuse to yield. I have not much time. I would like to deliver a lecture of about 2 hours on this, so that you would get some information. On the report of the Tennessee Valley there is \$1,376,666.85 charged up for the entire period of charges against navigation, and you have not enough tonnage on that river to amount to anything. I have a list of the tonnage right here, telling about it in the record. The tonnage has been of a character which has only served the dams on the river. I went to St. Louis and I wanted to get my automobile on a steamboat and go on a trip. I had not any interest particularly in legislation about this matter, but I wanted to ride up there and look the place over, and go up to Shiloh, and all those other places. I could not get a steamboat. They say they have one in the last few weeks or months by which you can go up there on an excursion trip, but the fact is that the lying part of this thing on the proposition of an electric rate for current—the yardstick—why, I am the author of this 18-inch yardstick story, and the first time it was ever printed was right there in the top line of my paper, and I figured it out, and you took 14 inches off for navigation which you have not got, and the rest of it you took off for flood control which you have not got except in a measure, and then you let the rest go on your electric current rate. It is false.

Mr. CRAWFORD. Mr. Chairman, will the gentleman yield?

Mr. BOLLES. Yes.

Mr. CRAWFORD. I read this from the House bill:

The Corporation shall also issue to the Secretary of the Treasury one or more bonds in such denominations and with such maturities not exceeding 50 years as the Secretary of the Treasury may designate, in an amount equal to the total cost allocated to the development of power.

Can the gentleman give us any light as to how that will be? It bears directly on the point that he is discussing, and it seems to me that the committee should have given us some information on this or should have let us have access to the hearings. So far I have been unable to get anybody to answer the question, and I would like the gentleman to tell us something about it, provided he is on the committee.

Mr. BOLLES. I am not on the committee.

Mr. CRAWFORD. Then I should not submit this to the gentleman.

Mr. BOLLES. I am a spectator seeking the truth, searching where I can to find where the price of electricity should be lessened by reason of the nonexistence of navigation. There was once a colored man down around Graysville, and that is up near Dayton, where Mr. Bryan died, and he dreamed three times that he was called to preach. He went out to the stable one morning, and on the door he saw the letters "G. P. C.," and he immediately translated into "Go preach Christ." He grabbed his Bible, took farewell of his family, and went off, wandered away, and by and by, ragged and footsore, and without any money, he returned. A planter nearby said, "Where have you been?" Then the Negro told him about this dream, and the planter said, "You darn fool; don't you know that G. P. C. doesn't mean 'Go preach Christ'? It meant 'Go plant corn.'" Mr. Chairman, what I am trying to find out is whether I am going to preach Christ or plant corn with this T. V. A. I am going to vote for this bill. [Applause.]

Mr. MAY. Mr. Chairman, I yield 2 minutes to the gentleman from North Carolina [Mr. BARDEN].

Mr. BARDEN. Mr. Chairman, I would not have asked for even these 2 minutes, had it not been for the discussion which started on the floor a few moments ago. I am sorry that my friend from New Jersey [Mr. WOLVERTON] has left the floor, and if some one will remind him to come in he might be interested. The gentleman made a remark with reference to my inability to distinguish between a duty and a partisan question. I say this, that my interpretation of my duty as well as my interpretation of a partisan question never led me so far afield that it would cause me to attempt to introduce into a record anonymous letters which were so vile and untrue against the T. V. A. that the author of them would not sign the letters.

I would like to say I served on the T. V. A. Investigating Committee. It was no pleasant duty to serve in that capacity. If the gentleman will permit me one small crumb of honor which he so liberally heaped upon himself, I, too, tried as best I could to get at the real facts underlying the controversy which arose over the T. V. A. In the final analysis what did we find? We found that the General Accounting Office did make some accusations about several million dollars of claims, which proved to be frivolous indeed.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. BARDEN] has expired.

Mr. SHORT. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. MAY. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. BARDEN. I thank the gentlemen.

I want to say that Mr. Tullos, of the General Accounting Office, finally made this bold admission, which is a part of that record, that not one single item could he trace in these records that bore the earmark of corruption or fraud; not one transaction in all the millions that were handled.

Now, the gentleman who addressed himself to me at length a few moments ago made quite a to-do over a shovel controversy. He would ask a question and make two speeches. He accused at great length that they had been unfair in letting this bid; and, lo and behold, directly I asked the question, "Well, what kind of shovel was involved?" it turns out that the low bid was for a second-hand steam shovel, while the high bid was for a new, first-class steam shovel. Yet there was an attempt to put the brand of fraud upon the administrators of that organization because they did the wise thing of accepting a new shovel.

It is very difficult in 2 minutes to talk about a matter where you have served on a committee for months and months and day after day, but I want to say this as one who has gone into the transactions of the T. V. A., we brought out everything that could be brought out. We included everything that happened, and in the final analysis, was there any attack made on it by the minority? Not the slightest. There was no attack by Mr. Tullos.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. BARDEN. I thank you. [Applause.]

Mr. SHORT. Mr. Chairman, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Chairman, my colleague from New Jersey [Mr. WOLVERTON] is well able to take care of himself, and I dislike seeing any controversy between him and any other Member of the House, but in just a word I cannot refrain from calling attention to the fact that when some of the Members on the majority side misunderstood a statement he made a moment ago, he was greeted with loud applause and was acclaimed as one of the great, fair, able, and effective Members of the House. If he was fair and able and effective then, he still is. I think he was fair and able and effective when he worked on that investigating committee. I think the record will bear it out. And his record on the floor of this House will bear out a similar standing. [Applause.]

There have been many peculiar things developed in debate. I never dreamed that the friends of T. V. A. would be

coming in here and quoting Wendell Willkie as their authority for the passage of any legislation. Now, the record speaks for itself, but I would hazard a guess that while likely at the moment he feels that this deal that was consummated by him with the T. V. A. should be carried out as a matter of equal justice and fairness, it cannot be stated that he wanted any suggestion or any implication to the T. V. A. or anything like the T. V. A. that it should continue in operations of the sort that have been presented to us here today.

I remember in my study of the law that there was something in the Constitution about private property not being taken for public use except just compensation be paid for it. That is known as the right of eminent domain—one of the greatest guaranties of the Constitution. I do not say that the situation here today is exactly similar to eminent domain. I do not say that eminent domain could be invoked by the private owners of these utility systems, but I do say that this action approximates the exercise of the right of eminent domain. What has happened? This agency of the Government has gone into that territory and either destroyed or threatened to destroy the property of private investors, private owners in this land of ours. Is that not what is happening?

I heard it said by the gentleman from Texas only a moment ago that if this bill did not pass, these innocent stockholders would be forced to take 10 cents on the dollar. In heaven's name, if that is true, what have we come to in this country? It is no wonder Mr. Willkie wants \$61,000,000 to carry out the deal made. He is representing his stockholders and has done so from beginning to end; the people who, as the gentleman from New Jersey said, invested their money in these enterprises at a time when they were encouraged to do it; when they were told that they were bringing to the people of America the blessings of electricity. Are we now to take from them the value of their property, with a gun at their heads, and not pay them for it?

As a matter of principle, I am frank to confess I had some difficulty in bringing myself to vote for any of these amounts to carry out this agreement, but when I thought of it in connection with the application of the right of eminent domain, when I heard the statements made by the gentleman from Texas and others urging the passage of this bill and the necessity for the availability of the money in order to save the innocent investors, then I say I am ready to vote for the House bill and will vote for it.

Now, what is the other issue presented?

I have understood all the way along that the T. V. A. on acquisition of the properties here contemplated and contracted for would have an outlet for all of the power it could produce. I well recall that when the agreement was made for this sale it was greeted with almost universal acclaim by all people on all sides of the controversy.

[Here the gavel fell.]

Mr. SHORT. Mr. Chairman, I yield 2 additional minutes to the gentleman from Indiana.

Mr. HALLECK. I say it was greeted with acclaim. Why? Because it was to bring peace to that valley, because the rights of investors were to be protected; and I recall press statements from the President himself indicating that when this bill was carried out nothing further of like character was contemplated. It would assure all of the people in the private operation of the utility systems that this was the end. If that be true, if you want to reestablish confidence in the utility industry and in other industries, if you want to get the wheels of recovery moving—and some of you people better be thinking about that—why not write into this bill the provisions contained in the House bill, give them the money to clean up the mess that has been created, restrict them, limit them, say to them that there shall be no recurrence of this unfair situation except it be done by direct authorization of the Congress? What is unfair about that? What is wrong about that?

It is said we are a wrecking crew trying to wreck the T. V. A. If the provisions of the House bill will wreck the T. V. A., then I am inclined to believe that it ought to be

wrecked. What is the basis for the argument that it will be wrecked? T. V. A. is getting the money to buy the properties which will enable them to sell all the current they can produce.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. SHORT. The chief reason the Committee on Military Affairs put in this limitation on the area of activity, I may say, was due partly to a bill that has been pending in the Rivers and Harbors Committee, particularly in the Seventy-fifth Congress, whereby seven regional T. V. A.'s would be set up over the United States. It is to prevent just that thing that we put in this clause.

[Here the gavel fell.]

Mr. SHORT. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Chairman, I believe I am just as partisan as any Member of this House, and I believe that almost every Member of this House is partisan. We are either Republicans or Democrats, or, if not, we should be. I believe, however, there are issues that transcend all partisanship, and I believe this is one such issue.

Granting for the sake of argument that the Tennessee Valley Authority acted within its strict legal authority in agreeing to purchase private utility holdings in the Tennessee Valley, and granting still further that the price fixed was fair to both the purchaser and the seller, the people of this Nation are faced with a serious problem of policy—what next? Is this initial step the beginning of a process in which the Federal Government, acting through corporation devices, gradually forces private utility enterprises out of business? Are we entering a new era of governmental competition with private ownership which may lead to a completely uncharted land of state ownership?

These are serious issues. Implied within them is a whole philosophy of government. It is the responsibility of the Nation to examine what has been occurring with a sharp eye. What is the technique which T. V. A. has employed in its invasion of the valley? There is no possible doubt of the facts. When Congress originally inaugurated the Tennessee Valley Authority, it was moved by forces which were demanding the creation of a satisfactory "yardstick" by which to measure the proper costs of electric-power distribution. Incidentally, the ingenious masquerade of flood control was donned to wheedle the Federal courts into a friendly frame of mind. As matters developed, the costume proved unnecessary, for the Supreme Court's complexion was so radically changed by the time T. V. A.'s constitutionality was at stake that no one doubted the outcome. But, costume party or not, T. V. A. was devised by Congress only to check up on fair rates for utility enterprises. It was not intended as a competitive device. It was not presented to Congress as a technique for putting the National Government into the business of supplying subsidized electricity at the expense of stockholders, bond owners, private-utility employees, and the overburdened taxpayers of the land.

What has happened to T. V. A. is a splendid illustration of the New Deal at work. The Valley Authority was seized by a group of men utterly out of sympathy with the real purposes of Congress. For them, it was a rich opportunity to institute a social experiment, with the Nation providing the capital completely unwittingly. They visualized the Tennessee Valley as a gigantic laboratory; and they regarded the private utility companies already engaged in the business of power distribution as obstacles in their path. With the daring typical of so many left wingers, they determined to "liquidate" the subsidiaries of the great Commonwealth & Southern Electric Co. To accomplish this purpose, they bent their energies with such zeal that they forced Dr. Arthur Morgan from his position as chairman of the Board of the T. V. A. Their influence with the President was such that Dr. Morgan knew long in advance that he could never obtain a fair hearing at the White House. But more than this, the directorate of T. V. A. was rapidly pushing every private utility company in the valley on the defensive.

They cut rates far below the charges possible to any company faced with the burden of meeting fixed interest charges on its bonds, earning a profit for its stockholders. They pooh-poohed every sane argument, pointing out that these rates were possible only because T. V. A. was publicly financed, free from the claims of bondholders, stock owners, huge taxes. What they wanted they have won. Private companies are either being forced to the wall in the face of this elastic "yardstick" competition, or must sell out.

Not many years ago in this country, the Nation was up in arms over the unfair practices of some of our huge monopolies. To achieve their purposes, they would go into territory served by some small outfit, cut prices ruinously, and then force the competitor to sell out. This is precisely what the Federal Government has done in the Tennessee Valley. It is no less ruthless than the very practices so bitterly denounced by the same "liberals" who now point to the T. V. A. as a shining example of light and goodness under governmental guidance. If it was vicious, unfair, intolerable exploitation for private enterprises to destroy competition, it is no less vicious, unfair, and intolerable for our Government to do the same.

But there is even more to this problem than the question of basic public morality. There is a simple exercise in economics which must unflinchingly present itself to everyone who seeks to analyze the T. V. A. deal. Precisely what is happening to our national economy when we set up a huge governmental power system, manufacturing electricity and distributing it in a vast area? T. V. A. was financed entirely from tax-raised funds. But these same taxes were collected from you and you and the utilities, too.

In fact, one of the most lucrative sources of public taxation is the private utility. Ask any legislator, and if he is honest with you, he will confide that the first suggestion that rushes to the average lawmaker's mind when he is confronted with a deficit in public funds is "soak the utilities." Taxes on the private electric light company, the private gas company, the telephone company, are always popular. You can get yourself a fine reputation upon this rock, "Soak the utilities."

But T. V. A. is killing the goose that laid the golden eggs. Put the private utilities out of existence and you cut off the very tax revenues which made T. V. A. possible. You destroy one of the principal sources of income for local, State, and National purposes. You begin a program which, carried to its logical conclusion, would result in serious consequences. It is precisely as if a patient visiting the family surgeon were urged to chop off his legs, and subsequently discovered to his chagrin that he could not walk. Dry up the stream of public taxation, and the Nation will soon thirst.

These are matters which demand congressional attention. Have we moved so far in the direction of bureaucracy that decisions of the utmost importance for the future policy of our Government are to be made by appointive officials, who are in no way responsible to the people of the Nation? Is this new departure in public affairs to be accepted with indifference and without serious examination as to its probable consequences?

Every man, woman, and child in this Nation is a taxpayer, contributing directly or indirectly to the treasuries of every governmental unit. It is your money which is being spent in the Tennessee Valley. This is your decision to make.

T. V. A. was hailed by Norman Thomas, the recognized leader of the Socialist Party in America, as an experiment in "pure socialism" a few years ago. The developments of the past months more than confirm Mr. Thomas' description. Congressmen, citizens, administrators, "socialism" is not the answer of America to the problem before us!

A step in the right direction has been made by the House Military Affairs Committee in that they substituted the bill which we are now discussing for the measure sent over here by the Senate without proper consideration. The amendments contained in the bill which we hope every Member of this House will vote favorably on are as follows:

First. To limit the bond authorization in the proposed amendments to \$61,500,000.

Second. That these bonds be guaranteed by the T. V. A. and not by the Federal Government.

Third. That bond proceeds be not used in any contract until approved by the Treasury.

Fourth. Expenditures to be accounted for through the Comptroller General.

Fifth. That a sinking fund be set up for the bonds.

Sixth. That the area of operation under the act be limited to the Tennessee watershed and immediately adjacent territory as specified.

Seventh. The provision stating that it is the intention of Congress that any tax loss must be recovered by the States in such manner as each may see fit, from the persons benefited by the use of electric power generated by the corporation.

I have no quarrel with my friends in the South; in fact, practically all of my relatives of whom I am extremely fond live in the South and have lived there all their lives. I come from Ohio and, as an Ohioan, I love my State just as much as the gentleman from Tennessee loves the State of Tennessee. When I think of this measure, however, I think not only of the people of his State, but I think of the people of my own State as well. When flood legislation was before the House for consideration, and when the matter of making appropriation for rivers and harbors came up, I voted for both bills. Should floods threaten the people of Mississippi, Alabama, or Washington, I would vote for flood-control appropriations. The same is true as to the improvement of rivers and harbors. But here comes this T. V. A. issue that is fundamental and obviously threatens all principles of American procedure. When such an issue as this comes along it is essential that we stop, look, and listen, and take inventory; it is essential that we think of our own constituencies.

If the Senate proposal is good for the section that T. V. A. covers, it is good for the entire country; and if it is not good for any other part of the country then I say it is not good for that part of the country except as it is restricted by the provisions of the House bill. I believe the day will come when even the people of Tennessee will rise up to call the Committee on Military Affairs blessed, because the committee is saving them from themselves. This business of voting for an appropriation for your people when you know that it is getting you nowhere, when you know that it is competitive with private industry, when you know that it is not only not necessary but fundamentally wrong—I say to you that such action is wicked. Our people here in Congress should take cognizance of the fact that this country is getting nowhere in the matter of solving the problems of this depression, and we are getting nowhere in solving the problem in this area served by the Tennessee Valley Authority.

What will this Tennessee Valley Authority mean to the people of our State? I ask the gentleman from Ohio, Congressman HARTER, I ask the gentleman from Ohio, Congressman KIRWAN, I ask the gentleman from Ohio, Congressman HUNTER, I ask my Democratic colleagues from Ohio to tell me how Ohio will be served by this measure unless we restrict the activities of this Authority? I ask the people of my State, I ask the people of Illinois, I ask every one of you coming from every other part of the country that you take notice of what this will mean to your States. This is not a flood-control project. No question of national defense is involved here. Originally they told you that T. V. A. provided for national defense, provided for flood control. All of that has been eliminated. Now we see the thing in its true light. It is a measure against private industry particularly in that area; and I say that every one of the districts we represent is concerned about this kind of legislation. We should not permit such legislation to go through this House without amendment; we should not permit Congress to act on it without considering the welfare of our own constituents. Vote for the amendments contained in the substitute bill as offered by the Military Affairs Committee. [Applause.]

[Here the gavel fell.]

Mr. SHORT. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I desire to ask some questions of the chairman of the Committee on Military Affairs. If I understand the Senate bill correctly, it provides for the issuance of \$100,000,000 of bonds to be guaranteed by the Government of the United States as to principal and interest, and in the event the corporation, the T. V. A., fails to meet the interest requirements when due, the Treasury of the United States will step in and meet those obligations?

Mr. MAY. That is correct.

Mr. CRAWFORD. May I say to the chairman of the Committee on Military Affairs if that is to be the procedure, as set forth in the Senate bill, then there would be no necessity for a trust indenture or any kind of a mortgage agreement to be entered into; would there?

Mr. MAY. None in the world. It would be a Treasury obligation and the taxpayers of the United States would be responsible.

Mr. CRAWFORD. The Senate bill also provides that the Secretary of the Treasury may make such transactions public-debt obligations under the Liberty Loan Acts. Now, going to the House bill, which in a way follows the wording of the Senate bill, in my opinion there is a distinct difference and I think this may prove fatal in conference or somewhere else unless we do something about it. The House provides for sixty-one and one-half million dollars to be issued, but does not make any provision as to how default in interest is to be met, should it occur. It does leave it up to the corporation and the Secretary of the Treasury to issue these bonds under such terms and conditions as the corporation and the Secretary may decide upon. What is there in that language to prevent the Secretary of the Treasury and the T. V. A. from placing an absolute first mortgage on the entire equipment, facilities, and assets of the T. V. A.?

Mr. MAY. The section read in connection with the provision which sets up a sinking fund makes it very clear under the committee bill that the T. V. A. must set aside enough out of its earnings to take care of interest and principal of these bonds; but, of course, the gentleman knows that just like any other agency other than the Government itself if the T. V. A. does not do that and it does not retire the bonds by the sinking fund, then the taxpayers of the United States will be responsible because it is a governmental agency.

Mr. CRAWFORD. Can the Secretary of the Treasury, with the T. V. A., operating under the House bill, place a general mortgage on the assets of the T. V. A.?

Mr. MAY. I think it could. The Board could, but not the Secretary of the Treasury.

Mr. CRAWFORD. The T. V. A. Board?

Mr. MAY. The T. V. A. Board could execute a trust agreement or mortgage to secure these bonds, but they would not be a first lien upon the installations, such as dams, transmission lines, and things of that kind. They would simply be a first lien on the income of the corporation.

Mr. CRAWFORD. May I ask the chairman of the Committee on Military Affairs this further question? What do the hearings disclose will be the amount of bonds provided to be issued to the Secretary by the T. V. A.? What will that amount be?

Mr. MAY. That amount will be \$61,500,000.

Mr. CRAWFORD. The gentleman does not understand the question. The House bill provides that the corporation shall issue to the Secretary a bond or bonds in an amount equal to the total cost allocated to the development of power. What does that amount to? In other words, if we enact the House bill, what will be the approximate face value of the bonds issued by the T. V. A. to the Secretary of the Treasury?

Mr. MAY. That means the T. V. A. will issue the bonds, then retire them as the revenue comes in from an allocation of 5 mills per kilowatt-hour.

Mr. CRAWFORD. The gentleman does not understand my question. I suggest he look at the bottom of page 9

and the top of page 10, because I am not referring to the sixty-one and one-half million dollars.

Mr. SMITH of Connecticut. Will the gentleman yield?

Mr. CRAWFORD. I yield to the gentleman from Connecticut.

Mr. SMITH of Connecticut. I believe that figure today would be about \$170,000,000. It is half of the amount that has already been spent.

Mr. CRAWFORD. Mr. Chairman, I desire to congratulate the committee for bringing to us a bill carrying provisions which call for the issuance of bonds not guaranteed by the Treasurer or Government of the United States. If the T. V. A. is the profitable operating unit that it has claimed to be, and which its proponents claim, then it should be able to command a fair support of the public for its obligations for which it is to be responsible. We all know that the direct Federal debt now exceeds more than \$40,000,000,000. We know that the guaranteed obligations of the agencies of government exceed \$5,000,000,000. We also know there are deficits that will still have to be financed by the issuance of other obligations in the form of bonds or notes and that as a matter of fact, based upon the actions already taken by the Congress, that the direct and guaranteed debt now approaches \$50,000,000,000 when all obligations which have already been created are funded.

WHO HOLDS THE GOVERNMENT OBLIGATIONS?

This vast sum of obligations is held by the Federal Reserve banks, the Federal Deposit Corporation, Federal corporate agencies, Federal trust funds, Federal Savings & Loan Association, Postal Savings trustees, our national banks, our State banks, our building and loan associations, our insurance companies, banks that are members of the F. D. I. C., and banks that are not members of the F. D. I. C., the fire insurance companies, our investment trusts, our large corporations, and several billions of dollars' worth are held by individuals and other corporations, associations, and organizations not here listed. But mind you, Mr. Chairman, the debt ownership is now very largely concentrated in the hands of our banking corporations and insurance companies and financial agencies. It is reasonable to say, Mr. Chairman, that the holdings of Government obligations by the banks are now so great that the banks dare not fail to support and uphold the policies and program of the Federal Treasury—this the banks must do in order to protect their holdings of direct and Government guaranteed obligations. When the Treasury makes offer of a given issue, of course the banks subscribe and in most all cases the banks greatly oversubscribe. The Federal Reserve Board and the Treasury coddles, doctors, and supports the Government bond market prior to the release of the issue and the banks and lending institutions follow suit to the end the "issue will not fail" of being sold. Failure to successfully market a given issue would bring down the financial house of all holders of Government bonds. The issue must not only be sold, but following its sale at par it must, in due course, be worth more than the day sold.

Mr. Chairman, this is one effective way for Federal control of all banks, lending institutions, and other corporations whose principal assets consist of Government obligations. So long as we have a vast reservoir in the form of excess reserves of member banks; so long as gold continues to flow into the United States and is handled by the Treasurer in a manner that it creates excess reserves; so long as commercial loans at banks continue to decline; so long as the Board of Governors of the Federal Reserve Bank System maintains cheap money rates or a low-interest program; so long as the President can issue \$3,000,000,000 of currency; so long as the President and the Treasurer can enter into an agreement with the Reserve banks to provide an additional \$3,000,000,000 of buying power; so long as the President has the power to further play and fiddle with the gold content of the dollar; and so long, Mr. Chairman, as the Treasurer can play with the \$1,800,000,000 now held in the exchange stabilization fund and all of this power is used to promote and support

and protect the market value of Government obligations, we have reasonable assurance there will be money in subscribing for and holding and selling Government obligations. Sagacious men are aware of these factors and of the vast profits that have been made by money changers since the President began the spending and gold-importing operations of the Government. Of course, as we continue the spending operations and the building of a greater debt structure, we provide more and more opportunities for profit for those who participate in the program.

Therefore, Mr. Chairman, I shall support the committee amendment. I think it is high time we discontinue creating these obligations. Let the gold begin to flow away from this country; let the excess reserves begin to decline as a result of the outbound flow of gold; let something go wrong with one single and important Treasury issue; let us face again a situation such as has prevailed within the last 2½ years when the Government had to come to the rescue of its obligations in order to prevent a great break in price—when some of these factors develop we will more clearly see the damage that can come to us as a result of an unmanageable debt and the concentration of such vast sums of Federal obligations in our banking system. By no means is the program foolproof. And, for some of these reasons and others, I have made inquiries here today with reference to the bond issue for which this bill provides. If the bonds are to be guaranteed as to principle and interest by the Government, then certainly they should not carry a 3½- or even a 2½-percent rate but, instead, they should be sold along with other obligations at not to exceed a rate of 1½ percent on, say, a 5-year basis. With a program of maintained cheap money, high excess reserves, and greater gold imports we have reason to demand and expect these Government obligations to be sold at or on a very, very low interest rate basis.

Mr. SHORT. Mr. Chairman, I yield 2 minutes to the gentleman from Alabama [Mr. PATRICK].

Mr. PATRICK. Mr. Chairman, it is not important to tell where I was born and raised, but I was born in JOHN SPARKMAN'S district, within a few miles of the tumbling waters of Muscle Shoals. We children were raised by the light of an oil lamp. Now it is by their own words that we label the promoters of this bill as enemies of the T. V. A., and by their actions have they described themselves in supporting this bill. Anyone who has observed history and behavior of the energetic and capable chairman of the Committee on Military Affairs knows that he strikes T. V. A. a blow every opportunity he has gotten during his legislative career here.

The only issue truly involved in this struggle today is whether or not it is necessary to move forward in this country so that the Government of the United States shall assist in the development of power so that it may reach all the Nation and all the people of the Nation as nearly as possible, and whether it was being properly developed by individual enterprise.

So long as individual enterprise will do its full share and appropriate part in developing and handing down the blessings of a nation to mankind, it should not be disturbed. But this is the battle to determine whether or not the power, the life, the strength, and energy that flows in our rivers are the blessing and the property of the whole people of the Nation or whether they are to be tied up by powers that will hold them back and keep in darkness those within earshot of the blessed waters of power. [Applause.]

[Here the gavel fell.]

Mr. SHORT. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. ROUTZOHN].

Mr. ROUTZOHN. Mr. Chairman, I wish to ask a question of the chairman of the committee pertaining to the \$10,000,000 of items that have not been accounted for by the T. V. A. up to the present time. My question is whether we cannot put into this bill a provision requiring the T. V. A. to submit to audit the items that are now in question.

Mr. MAY. I may say to the gentleman that the measure as reported by the committee requires them to do that, but if the gentleman can find any way by which they can be

made to obey the law, either the original law or the law we bring in here, I shall be obliged to him.

Mr. ROUTZOHN. Would the gentleman consider an amendment to the bill along that line, compelling them to submit to an audit the questionable items which aggregate \$10,000,000?

Mr. MAY. We use the expression "they shall be subject to an audit by the Comptroller General," and "shall" is the strongest we can make it. The gentleman understands, of course, that they have steadfastly refused to file their checks or to furnish a complete audit with their treasurer's report to the Comptroller General. In 1937 and in 1938 they were out of balance more than \$10,000,000.

[Here the gavel fell.]

Mr. SHORT. Mr. Chairman, I yield 8 minutes to the gentleman from Pennsylvania [Mr. VAN ZANDT].

Mr. VAN ZANDT. Mr. Chairman, once more it becomes necessary for me to remind this House that I represent a district in which the principal industries are coal and railroads. Once more it becomes necessary for me to raise my voice in vigorous protest against this new proposal to extend and expand the scope and operation of the Tennessee Valley Authority. Once more I must remonstrate against a policy and a program which are the chief factors in destroying two great industries, coal and railroads, not only in my district but the country over, and converting once self-reliant citizens, who are dependent upon those industries, into relief clients.

Mr. Chairman, I do not stand here to make a selfish protest on the part of the people of the Twenty-third District of Pennsylvania. I do not ask that the people of any other section of this country should be denied any advantage to which they are entitled so that the people of my district should prosper. I do not ask that we halt the march of progress. We can no more do that than King Chanute could sweep back the tides of the sea with a broom.

Mr. Chairman, I bear no ill will against the people of any State in this Union, the people of any section of this country. I wish prosperity and happiness to them all. I realize that without prosperity in all States and all sections, the people of other States and other sections are apt to suffer.

We are geared to a national economy in the United States. When a major crop of one section fails, or a major industry in another section is depressed, that failure and that depression is felt throughout the Nation.

Maine, of course, is not visited with the same disastrous results that befall Georgia when the cotton crop fails as a consequence of drought or a drop in price. By the same token, Georgia does not feel the fall in potato prices like they do in Maine. The same thing is true of the textile mills of New England and the peach growers of California. Southern textile competition is not reflected as directly or as speedily in California as it is in Rhode Island. Nor do the peach growers of Georgia experience anything but a thrill of temporary satisfaction when the news reaches them of a huge carry-over of peaches in California.

But sooner or later the cotton planters in Georgia, the potato growers in Maine, the textile manufacturers in Rhode Island, and the peach orchardists of Georgia and California are due to feel the effect of any depression in any industry in any other State or section. The economic ripples fade the farther away they roll from the seat of the depression, just as the circle of ripples flatten the farther they widen from a stone cast in a placid millpond. But they are felt, and acutely felt, just the same.

Our economy in this country has become too closely knit to have an entirely prosperous North with a depressed South. The wheat farmers of the Northwest cannot realize a profit from their bumper crop unless the cattlemen of Texas can sell steers for a substantial profit. And so it goes, all up and down the line.

This economic law of compensation holds true in the case of the coal and railroad industries, which are having their markets and their business destroyed year by year, by constantly increasing competition from other fuels, other gen-

erators of power, and other modes of transportation. But the most destructive competitor, the most ruinous factor with which both industries must contend is the United States Government itself. By direct competition and subsidy, the Federal Government has done more to destroy the market for coal and rob the railroads of customers than all the private competitors combined.

I venture to say that both the coal and the railroad industries might be in fairly prosperous condition today, if the competing factors still remained in private hands. Inroads might have been made on the coal markets, the railroads might have lost some business, if private enterprise had been left to develop the competing mediums. But the ruinous, cutthroat competition that has crippled both these industries never could have developed at the rapid pace without Government subsidies and direct competition from Government operation.

The Tennessee Valley Authority is the shining example of all the Government subsidized and Government operated industries, which are destroying the coal and the railroad industries. The money paid into the Public Treasury by the taxpaying railroaders of Altoona, DuBois, and Tyrone, Pa., is being used to buy, build, and operate hydropower plants in Tennessee and Alabama. And the hydropower plants in Alabama and Tennessee are destroying the very livelihood of the taxpayers of Pennsylvania. The taxes paid by the coal miners of Clearfield, Osceola Mills, and Houtzdale, Pa., are being used to purchase power plants to impoverish those same miners.

One committee of this House—the Interstate Commerce Committee—has been laboring for months on a measure designed to relieve and rehabilitate the railroads of this country. At the same time, other committees of the House and Senate have been busily engaged in brewing a witches broth—further extension and expansion of the Tennessee Valley Authority—which is rank poison to the railroads.

This entire program of cross-purposes has been a puzzle to me for years. Since coming to Congress I have done my best to study the problems and arrive at a sound conclusion. But any way I look at it it is cockeyed. Any way I add it up the answer comes out screwy. And I defy any man on the floor of this House to justify taking the bread and butter out of the mouths of coal miners and railroaders and their families in Pennsylvania and putting it in the mouths of the people of any other State or any other section. I say to you, Mr. Chairman, it cannot be done in common sense and justice.

When this measure went to committee, it called for blanket authority to write a blank check for \$100,000,000 with which the Tennessee Valley Authority may buy private power companies and transfer them to Government ownership and operation, add them to the existing T. V. A. power set-up, and increase the already ruinous factors that are driving the coal and railroad industries to destruction and the workers in both industries to destruction and swelling the relief rolls.

To be sure, the promoters of this economic folly must go through the formality of floating bonds before they get the cash in hand. That is a new dodge on the part of the T. V. A. And, faint as it may be, I am inclined to hope it is a good sign. I believe it is a sign that the taxpayers are tired of having their money used by the T. V. A. to destroy long-existing and prosperous industries to foster a subsidized project. It is the most hopeful element I am able to find in the entire situation.

It is likewise hopeful that the committee cut the amount of this blank check from \$100,000,000 to \$61,500,000. Somewhere, somehow, reasons and logic must have prevailed, in part at least. It is somewhat comforting to know that the Tennessee Valley Authority, after completing the "deal" with the private companies to acquire three steam generating plants—at Hales Bar, Nashville, and Parksville, Tenn.—for a reputed price of \$44,000,000, will not have a balance of \$56,000,000 with which to destroy just that much more market for coal and that much more freight revenue for

the railroads. The balance left on the blank check will be only seventeen and a half million dollars. T. V. A. can do exactly thirty-one and a half million dollars' less damage to the coal and railroad industries. But that is mighty cold comfort for the jobless miners and railroaders in the twenty-third district of Pennsylvania.

Perhaps, I was a bit hasty in saying it was an encouraging sign that T. V. A. had adopted a new method of raising money to wreck the railroad and coal industries, because the taxpayers were sick and tired of direct levies upon them for this purpose.

Despite the fact that they are indications of revolt against dipping into the pockets of the people of Pennsylvania for the direct benefit of the people of Tennessee, this new dodge is distinctly discouraging—if Congress permits T. V. A. to get away with it. The danger in this departure lies in the new method of obtaining funds to finance the destruction of the coal and the railroad industries. Let Congress adopt this policy now, set this precedent and T. V. A. and other power projects will be back in a short time with other measures for the same destructive purpose. There is no telling where it will stop, unless we put a stop to it now.

Some of the gentlemen whose districts and whose sections will benefit directly from this extension of T. V. A., and some gentlemen who have no coal in their districts, ask us from the coal and railroad districts how and why T. V. A. is so injurious to the industries in such districts as mine.

I have used this illustration before, but I will use it again because I know of no better concrete example to drive home the false economy of T. V. A. This illustration has been reduced to a matter of jobs and wages—the loss in jobs and wages as a consequence of T. V. A. It requires 1.42 pounds of bituminous coal to generate 1 kilowatt-hour of electricity, or 710 tons to generate 1,000,000 kilowatt-hours of electricity. In the last 6 months of 1938, T. V. A. reported that it sold 806,000,000 kilowatt-hours of electric energy. When T. V. A. finishes what it calls its 10-dam system, it is estimated in T. V. A.'s annual report that the output will be 8,100,000,000 kilowatt-hours of electric energy. When you multiply 8,100,000,000 by 710, you get the result 5,751,000 tons of coal to be displaced by T. V. A. power.

On the other hand, it is estimated that 1 ton of bituminous coal represents 1 day's work and one man's wages by the time it reaches its final destination. Compute T. V. A.'s prospective output of electric energy at that rate and the answer is 5,751,000 man-days of employment destroyed annually.

Stated another way—in dollars—5,751,000 tons of bituminous coal represents \$11,000,000 to the producers. Sixty percent of coal costs go to labor. Railroad freight revenues run almost \$13,000,000 and 44 percent of that amount goes to labor. In round figures, labor on the railroads and in the mines are confronted with a potential direct-wage loss of \$12,000,000 annually.

The three coal-burning steam plants involved in the present "deal" would displace a quarter of a million tons of bituminous coal annually, at a minimum, as a result of their shutdown. But that amount is only a small part of the entire displacement of coal, the destruction of coal outlets, the loss in freight revenues to the railroads and the loss in wages to miners and railroaders.

The questions that I keep asking myself, the questions that are uppermost in the minds of the railroaders and the coal miners, who are the victims of this fantastic economic policy represented by T. V. A., is: Where is this thing going to end? How much further is Congress going to allow T. V. A. to extend and expand its hydro-power facilities? Will this policy be pursued until the coal markets have been utterly destroyed and the already inadequate freight revenue reduced to a point which makes operation of the railroads impossible on a profitable basis? What is to become of the coal miners and the railroaders who are put out of work permanently? What is to become of their wives and children? How many more recruits will we have in the army of the unemployed a year from now, 5 years from now, 10 years and 20 years hence, if

we continue to add to the 10,000,000 now jobless and continue to destroy jobs at the present rate?

The next measure on the legislative program is the relief bill. We will be asked to appropriate around two billions for the next fiscal year to care for the jobless and needy. While gentlemen of the House are considering this T. V. A. bill, let them think of the relief bill as well. Let them contemplate what the relief bill next year and the year after that will be if we continue to pursue this sort of policy. Let the advocates of this measure contemplate the price this Nation will pay for their folly. Are we to resign ourselves to a permanent relief policy in America, with relief rolls mounting, mounting by millions and billions of dollars every year, as we continue to destroy industries and destroy jobs? Where will this thing end?

The President has a faculty for turning pretty phrases. Not so long ago he told the country that America "has a rendezvous with destiny." Another gentleman rang the changes on that phrase and declared "we have a rendezvous with debt." I have another change to offer, but God knows it is a terrible picture to contemplate. We have a rendezvous with national bankruptcy.

That is where we are headed—hell-bent for national bankruptcy under these New Deal policies of destroying jobs and mounting relief rolls. Our national debt now amounts to about \$41,000,000,000. We will add a few billion more to it before this session of Congress adjourns. We will add more billions next year. Yet the President and his White House "yes men" complacently tell the country there is no danger in this spending policy. Some screwball economist reached into thin air and came down with a theory that the United States is in no danger of bankruptcy until the national debt reaches \$80,000,000,000; and the new dealers have been parroting that unfounded, crackpot theory every since.

Apparently there is no end to the folly the New Deal will pursue. Contrary to all established economic laws, the New Deal is determined to continue destroying jobs and piling up Treasury deficits until the people of this country put an end to the entire ill-starred venture. Despite the New Deal the law of gravitation is still intact. What goes up must come down. The New Deal has reached the height of folly and I venture the prediction that the voters of this country next year, acting as aides to the law of gravitation, will see to it that the New Deal comes down with such a crash that Humpty Dumpty would appear intact by comparison. [Laughter and applause.]

Mr. MAY. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio [Mr. HARTER].

Mr. HARTER of Ohio. Mr. Chairman, I do not feel that anything I might say at this particular time would change any votes in this chamber. We have had an opportunity in this discussion, which has been spirited at times, to hear from some Members of the House who have made real contributions to the debate this afternoon. I refer particularly to the gentleman from Texas and the gentleman from New Jersey, who were members of the joint committee to investigate the T. V. A.

I do wish, however, to point out to the House that I believe there have been raised here today issues which are entirely outside the scope of the question with which we are confronted. If you will examine the Senate bill, you will find that it was introduced and its language adopted for the purpose of implementing the T. V. A. so that it might carry into effect the agreement reached with Commonwealth & Southern for the purchase of the properties of the private utility in the Tennessee Valley. While I do not believe that bill is perfect, it was designed to carry into effect that agreement which was reached about the conference table, and which will result in the publicly owned utility taking over the property of the private utility.

The situation today is that not only is T. V. A. interested in this legislation, but so are some 30 or 40 municipalities and rural cooperatives, some of which already own their own distributing systems and others of which are about to construct their own distributing systems so that they will be in actual competition with the private utility. It we do

not pass legislation authorizing T. V. A. and these municipalities to purchase the facilities of the private utility, the most ruthless and uneconomic competition will result.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. HARTER of Ohio. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. Has the gentleman read the provisos on page 5 of the House bill that would prevent the sale of power to any firm, person, corporation, or municipality outside the drainage area of the Tennessee River, which the gentleman knows is a rather narrow area in that section? For example, it would forbid the sale of power to the city of Paducah, Ky., 20 miles away, because it is not in the drainage area of the Tennessee River. Is that not true?

Mr. HARTER of Ohio. Yes; I am familiar with that provision, but I wish to say to the gentleman from Oklahoma that it is my sincere opinion that the Senate bill could have been amended in such a way as to have received the support of this House, and reasonable amendments would have been accepted by the Senate. As a matter of fact, I happen to have been the author of the amendment which reduced the amount from \$100,000,000 to \$61,500,000. At present there is outstanding \$3,500,000 in bonds of the original authorized issue of \$100,000,000, so if this reduction to \$61,500,000 is adopted there will be outstanding \$65,000,000, and that will give the Authority ample funds to complete the purchase of the properties of the Tennessee Electric Power Co. and to carry through the contemplated deal for the acquisition of additional properties of private utilities in northern Alabama and northern Mississippi, and provide funds for the integration and rehabilitation of those properties.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. HARTER of Ohio. I yield to the chairman.

Mr. MAY. I am pleased that the gentleman made it clear that the \$3,500,000 that is outstanding of the bonds issued under section 15 (a) of the original act is included in the \$65,000,000, and that the holders of those bonds are not injured or hurt in any way by this provision.

Mr. HARTER of Ohio. That is true. The money that will be available—\$61,500,000—will be ample to carry out what has been expressed to us by representatives of T. V. A. as the only aims they have in mind as to the acquisition of additional property. They have testified no additional purchases of private utility property other than I have enumerated is contemplated.

An effort has been made to go into this entire matter of the desirability of the T. V. A., about which there is a wide difference of opinion. Of course, many who have spoken this afternoon do not realize that the T. V. A. is an existing fact—that we have it, that it is with us, and that whether we like it or not we have to make the best of it. We are not creating T. V. A. today; we have it. We ought to take that into consideration and be practical in the solution of this problem.

Not only in the discussion here but by many of the amendments that have been added to the House bill, we have attempted to rewrite the T. V. A. legislation. When the committee started to hold hearings on the Senate bill and on this legislation it was with the idea of bringing out a bill that would authorize the carrying out of the agreement reached by T. V. A. and Commonwealth & Southern. The hearings were not held for the purpose of rewriting the Tennessee Valley legislation. If we are going to go into the question of a complete revision of the law and of the authority and power granted to T. V. A. that ought to be done on a different occasion, and there ought to be more time spent in writing legislation which is of such great import.

Mr. WHITE of Ohio. Mr. Chairman, will the gentleman yield?

Mr. HARTER of Ohio. I yield to the gentleman from Ohio.

Mr. WHITE of Ohio. The statement has been made here repeatedly today that if the House bill is adopted it will wreck the T. V. A. I have not yet heard anybody explain why or how that would come about or point to the specific features of the House bill which would accomplish that objective. Does the gentleman think that is true?

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield to me?

Mr. HARTER of Ohio. I yield to the gentleman.

Mr. JOHNSON of Oklahoma. If the gentleman will turn to page 5 of the House amendment, he will find that the "wrecking crew" has at least attempted to do a very good job of wrecking, provided, of course, the pending bill should actually become law. May I call the attention, especially of the gentleman from Ohio, to the language in line 3 of that page, as follows:

And the Corporation shall not construct or acquire or extend credit for the construction or acquisition of any transmission lines or other facilities outside the territory drained by the Tennessee River.

Of course, such a provision is absurd and unexplainable except for the purpose of wrecking the T. V. A. and its program. But the worst is yet to come. A little further down on the same page I call attention of Members to the following provision in the same section. It reads:

And the Corporation shall not sell or deliver power to any person, firm or corporation, municipality, or other agency for use outside the territory drained by the Tennessee River.

A few minutes ago I called attention to the fact that only 20 miles away in Paducah, Ky., they would not be permitted under the provisions of this bill to buy cheap power through the T. V. A., merely because Paducah is not on the same drainage area as is the T. V. A. It is reasonable to assume that the gentleman from Kentucky, the distinguished chairman of the committee handling this bill, is familiar with this fact and knows full well the effect of such a drastic provision.

Mr. HARTER of Ohio. I thank the gentleman for his contribution.

Mr. MAY. The gentleman from Oklahoma is mistaken. The gentleman ought to learn something about the geography of that territory.

Mr. HARTER of Ohio. Let me say to the gentleman from Ohio [Mr. WHITE] while I do not think this House bill will wreck T. V. A., I do not believe this measure can be enacted into law in view of the attitude of the other Chamber.

It is not a matter of general revision of T. V. A. or T. V. A. legislation; it is a question of whether we are going to approve and make possible the consummation of this deal that has been entered into in good faith by representatives of T. V. A. and a private utility.

Mr. WHITE of Ohio. In other words, the gentleman contends that this is simply a question of completion of a contract and is not in any way, shape, or form a question of altering the already established procedure of T. V. A. Is that correct?

Mr. HARTER of Ohio. No; I do say this legislation was introduced to make possible the completion of a contract, and it has developed into a general revision of the T. V. A. Act without the full consideration such a study merits. [Applause.]

Mr. SHORT. Mr. Chairman, I yield one-half minute to the gentleman from California [Mr. THOMAS F. FORD].

Mr. THOMAS F. FORD. Mr. Chairman, first, let me say, and I say it without qualification, that the amendments proposed by a majority of the subcommittee of the military affairs committee of the House, if adopted by the House, will beyond peradventure destroy the T. V. A. for all practical purposes.

In making this statement I do so with a full knowledge of the gravity of the charge implied.

I will go so far as to admit that the individual members of the majority of that subcommittee, may be sincere in what they seek to accomplish, but regardless of that, the result they would obtain is the same, total destruction of the operating efficiency of an agency that the Congress has

set up and approved. An agency upon which it has authorized the expenditure of hundreds of millions of dollars.

Let us just for a moment look at the situation: The principal objection to the operations of the T. V. A. has been that it is a competitor of the private power companies operating in the T. V. A. area.

Why is it a competitor? Why was it set up? It was set up for the sole purpose of establishing a "yard stick" for prices charged for electric power. It has been demonstrated that private power companies cannot, or will not, deliver electrical energy at prices that the average home owner, commercial house, or manufacturing industry can afford to pay, therefore, the Congress, in its wisdom, after due deliberation, decided that if private industry could not, or would not, supply electrical energy at a proper price, or a price consonant with cost of production plus a reasonable profit, then it was and is a proper exercise of governmental authority to enter the power field and demonstrate beyond question, that electrical energy can be produced at a price that the average citizen can and will pay.

In furtherance of this decision, the Congress has appropriated vast sums of money for T. V. A., Boulder Dam, Bonneville Dam, the Grand Coulee, and other projects of lesser magnitude.

All these projects are now completed, operating, or under way. If the Federal Treasury is to be ultimately reimbursed, these projects must be permitted to go into production and every facility essential to their financial success must be afforded by the Congress.

As to the present bill, let me say this: Regardless of the good intentions of the amendments offered, their adoption by the House would have but one effect, total and complete destruction of the T. V. A.

Why do I say that and what warrant is there for such a statement?

The T. V. A. has entered into a contract with the Commonwealth & Southern Corporation to purchase its properties in the T. V. A. area.

The contract for purchase expires June 30, 1939. It was necessary to agree to this expiration date because:

First. The municipalities with P. W. A. loans and grants for constructing competitive systems must know by July 1 if they are to be forced to proceed with the construction of new power systems. Any later date would virtually preclude the possibility of such a major city as Chattanooga completing its construction program within the time limitation specified in its P. W. A. loan and grant.

Second. A substantial amount of additional taxes, approximately \$400,000, becomes due in advance and payable by the power company on July 1. This would reduce the net consideration received by the power company to such an extent that the power company has been unwilling to extend the contract unless the purchasers agree to pay an additional amount for the properties to reimburse the company for these additional taxes.

Third. In order to meet the closing date specified in the contract, the municipalities have spent thousands of dollars on engineering studies and attorneys' fees, have printed prospectuses, and have set dates for the acceptance of bids on their respective revenue bond issues. The first of these sales is set for Friday, June 16, and the sales will follow at an average of three a day for a period of over a week. If this amendment is not passed at the time of these sales, it is certain to affect the degree of participation by bond purchasers and adversely affect the prices received for the bonds.

Fourth. The power company requires approximately 15 days to complete the liquidation procedures required to deliver the properties on the closing date.

We are all in favor of the T. V. A. purchasing these facilities, as against going ahead and duplicating them and thus destroying the value of the Commonwealth's properties.

The T. V. A. has the power to duplicate, but unfortunately, not the power to purchase.

All that S. 1796 in its original form seeks to do is to authorize this purchase.

But, my friends, if the amendments proposed by the subcommittee of the Military Affairs Committee are adopted, here is what happens:

These amendments go far afield and raise serious and fundamental questions concerning the Tennessee Valley Authority administration which are in no way connected with the particular transaction the approval of which is sought.

(1) The amendment of section 4 (j) would prevent T. V. A. from operating an electrical system.

On page 4 of the committee print, line 15, it is proposed to amend section 4 (j), as amended, of the Tennessee Valley Authority Act of 1933 by the addition of the provision that—

No dams, appurtenant facilities, generating plants, transmission lines, rural distribution lines, or other electric-utility properties * * * shall be constructed or acquired unless the construction or acquisition of the same shall first have been submitted to and approved by the Congress of the United States.

This amendment, if adopted, would destroy the possibility of operation of the T. V. A. system. You ask, "Why?" and I reply: If a transformer supplying a city should burn out, its immediate replacement is essential; if a storm destroys a transmission tower, it must be replaced in a few hours. An amendment which requires T. V. A. to come to Congress for approval of such routine construction, as this amendment does, can have no other purpose than to prevent T. V. A. from rendering service of a reliable kind.

Every Member of Congress is aware that Budget estimates are prepared almost a year in advance of the time of expenditure. Obviously, the Authority cannot know a year in advance every minor repair, replacement, extension which will be necessary and a part of normal operations.

Under present law all major projects are submitted for the approval of the Congress when the annual appropriation bills for the Authority are before it. To require that no minor extensions, not even routine replacements, should be undertaken without an act of Congress can only be intended to prevent the Authority from successfully carrying forward the electricity operations already approved by the Congress and reviewed each year.

The remainder of section 1 is devoted to language restricting the Authority from serving outside the drainage basin of the Tennessee River, excepting only the facilities involved in the pending purchase contract with the Commonwealth & Southern Corporation. This amendment creating a Chinese wall around the Tennessee Valley Basin is advocated by its proponents as a method of securing stabilization of the conflict in interest between the public and private power sources of the area. It is not only unnecessary and absurd, it reveals on its face the objections sought by its sponsors.

First, the Congress is asked to discriminate by statute in favor of communities and citizens within the drainage basin. The size and shape of the Tennessee River Basin have no relation to the engineering or economic factors the T. V. A. Board is directed to consider in marketing the power available at its dams. An examination of the map outlining the basin will show the absurdity of this proposal. Included are many communities which have shown no interest in securing T. V. A. power and which could not be economically served by the Authority. Excluded may be communities desiring and needing service, and who might be served easily and with profit.

Stabilization between the Authority and private companies in the area should come in one way only; that is by marketing all the energy available at T. V. A. dams to communities desiring it in an integrated and economic area. That stabilization will be provided if S. 1796 is adopted without amendment. Then power which will be available from all T. V. A. dams constructed or proposed will be allocated equitably and economically. No power above estimated requirements will be available until Gilbertsville Dam is completed. If, then, the T. V. A. recommends and Congress approves the installation of generating facilities in that dam—a question upon which Congress must and will pass in the

appropriation measure—a relatively small amount of power would be available for distribution in western Kentucky. There are areas near Gilbertsville Dam which are not now served by private companies. Groups of farmers and villages could hope to be supplied with electricity if generating facilities were installed in that dam and power made available to them from that source. But with the exception of two counties, all of western Kentucky, including the cities of Paducah and Mayfield—less than 25 miles from Gilbertsville—lie outside the drainage basin.

Neither the T. V. A. nor Congress can now promise these villages and farmers that power will be available for their use. The answer to that question should depend upon an examination of the situation wherever it rises, with consideration of engineering and economic factors. This Congress should not act today to discriminate against those citizens and to favor the citizens of North Carolina, Virginia, east Tennessee, and other States, by guaranteeing to them that all remaining power generated at T. V. A. dams must be marketed in their communities.

Neither should Congress vote today to discriminate between power companies and to give immunity to the Commonwealth & Southern Corporation and the Kentucky-Tennessee Light & Power Co., assuring them that their monopoly is secure, while serving notice on Electric Bond & Share and Cities Service, whose companies operate in the drainage basin, that if competition with the Government comes at any time in the future its problems will be limited to the area their companies serve.

(3) Section 2: Amending section 9 (b), as amended, T. V. A. Act of 1933, giving the Comptroller General power of settlement, is one of the most absurd of the amendments offered. It is just plain sabotage.

A construction program and the day-to-day operation of an electric system cannot be carried forward unless the Government agency has some of the flexibility which business corporations enjoy. No private business could operate effectively nor can any public agency having functions of the kind entrusted to T. V. A. operate effectively under the proposed amendments. These facts were brought out at length in hearings before the Military Affairs Committee in 1933.

This proposed amendment is in direct conflict with the purpose which the Congress had in mind in establishing the authority in corporate form. That purpose was well explained in the report of the House conference committee recommending the acceptance of the conference report. That committee said:

We intend that the corporation shall have much of the essential freedom and elasticity of a private business corporation.

Such freedom and elasticity would be destroyed by this proposal. Under this bill every transaction of the Authority, every claim by or against it, could be held up for weeks and months while the Comptroller's auditors, accustomed to auditing the operations of ordinary Government departments, sought to judge transactions involving wholly unfamiliar business and engineering problems. The construction program of the Authority is scheduled for a period of 2 years or more in advance. Any substantial delay in carrying out this schedule will result in increasing the expense by hundreds of thousands of dollars. Such delays would inevitably result from the methods of control provided in this proposed amendment.

The authority has operated now for 6 years under the type of audit control provided for in section 9 (b) of the statute. There has been no showing before this committee of any improprieties or irregularities that would justify imposing this rigid control upon transactions of the business of the corporation. In fact, the evidence presented to the investigating committee shows conclusively that no such irregularities exist.

(4) Section 3: Tax amendment: This amendment again reveals the total insincerity of the opponents.

The committee amendment proposes to settle the complicated tax problem by the simple device of preventing the Authority from making any alterations in the present law. There is a tax problem and it should be solved. Witnesses before the committee have described the problem and have

reported that the T. V. A. and State and local agencies involved are now engaged in conferences, and study in an effort to arrive at an equitable solution. The Governors of the States concerned have communicated with the committee, urging that the tax problem be not included in this legislation. It is true that much of the problem can be settled within the States themselves, with the assistance of the Authority, but it is certain that some decisions must be referred to the Congress. Those decisions should be made after careful consideration of all factors. When reports are made as a result of the conferences now being held in the South, the committee and the Congress will be in a position to judge and report then whatever measure appears adequate and desirable.

This amendment, endeavoring to settle a complicated question without study and in haste, should be defeated.

(5) Section 4: Amount of bonds requested.

This amendment is directed to reducing the amount of bonds authorized to be issued. The T. V. A. Act, as amended, contained a provision in sections 15 and 15 (a) for a total authorization of \$100,000,000 in bonds. This was the sum mentioned in S. 1796. The committee amendment would reduce that to \$61,500,000. T. V. A. witnesses before the committee have described in detail the purposes for which the proceeds of these bonds were to be used. To reduce the amount to \$61,500,000 is to provide bonds only for certain specific T. V. A. expenditures necessary in the purchase of these properties of the Commonwealth & Southern Corporation. It provides no balance for any contingencies which might be expected to arise. Most important of all it eliminates the T. V. A.'s authority and the funds necessary for loans to cooperatives and municipalities participating in this purchase. Under the existing act, T. V. A. was authorized to make loans for this purpose, and under the pending contract itself, the Authority has specifically undertaken the obligation to finance such public agencies as are unable to obtain financing from other sources. The delay in consideration of S. 1796 has increased the difficulty of these municipalities in securing private financing. At this last moment to nullify the provision in the contract and in the existing law is to expose the Government to an unnecessary hazard and to gain no advantage. It might even prevent the consummation of the deal which S. 1796 was introduced to permit.

(6) Section 15 (d): Interest and amortization of T. V. A. bonds.

If the amendment in section 15 (d) applied solely to the bonds authorized for the purchase of the Tennessee Electric Power Co. its objectives would not be unreasonable, but the amendment goes far beyond that. Its provisions, if effective, would bankrupt any organization, public or private, created to carry out on partly revenue-producing and partly non-revenue-producing operations.

The dams constructed by the T. V. A. were not built on a schedule in which power returns were the controlling consideration. The schedule of their construction was determined by their need for navigation, flood control, and unemployment relief. These are non-revenue-producing purposes. The proposal now advanced by the committee is to fasten fixed charges and amortization upon these structures from the very moment of their completion. During its developmental period T. V. A. cannot be expected to finance its operations on a long-term basis with fixed charges predicated on full market development. When it is a going concern with full utilization of its facilities, its earnings will be sufficient to carry all proper charges and will amortize the Nation's investment. To urge this far-reaching amendment now, without adequate study or consideration of all factors, is only one further attempt to strangle and misrepresent T. V. A. operations.

Mr. SHORT. Mr. Chairman, I yield the remainder of my time, thirteen and a half minutes, to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS of Ohio. Mr. Chairman, there is one phase of this bill that has had no consideration whatever this afternoon; at least, I have not heard it mentioned and I think I have been here nearly all the time. This is a proposition that should appeal to every Member of the Congress

because he is a Member of the Congress and regardless of party affiliation.

You know there has been something sinister about the means by which this bill has been propelled into the Congress today and brought up for consideration. I do not charge any improper motives to any Member of the House, but I refer to the undue influence from other sources. This bill, for instance, was only voted out by the committee on yesterday and this report was not available until this morning and the printed bill, as I understand, was not available until this morning. Why all this hurry? Let us consider for a moment just what caused this situation. A very unusual thing has occurred. I believe it is more unusual in its genesis and effect than anything I have observed since I have been a Member of Congress.

I happened to be over in the legislative body at the other end of the Capitol the other day, and I heard the debate that was running there on the question of tacking this Norris T. V. A. bill onto the debt-limitation bill, which is a bill of entirely different import. I was terribly shocked at this unusual and unmannerly procedure. I dare say that any Member of Congress, Democrat or Republican, from whatever State he might have come, would have felt resentful at this procedure. What was the situation? If you will follow me I shall briefly outline it for you so that you may judge for yourself.

This T. V. A. bill that we are considering here today was passed in the Senate about a month ago providing for the issuance of \$100,000,000 in bonds with which to purchase the competing privately owned generating lines. It was passed in the Senate with very little opposition. Nobody said much about it. Why this lack of interest I do not know. The orderly parliamentary procedure then would have been for the bill to come to the House and be referred to the Military Affairs Committee of the House. The Military Affairs Committee of the House of Representatives should then have had the right to consider the bill in the regular way. This was a very important bill which should have had the complete consideration of the Senate and the full and complete consideration of the House committee.

The Military Affairs Committee of the House is one of its great committees. It has a great history of fidelity to duty. This committee as at present constituted maintains in fidelity and ability the high standard set for it by its predecessors. Its chairman is an able, conscientious Member and a statesman of the highest order. He handles with ability and tact the matters coming within the jurisdiction of his committee.

After that bill had been passed once in the Senate and it was over here in the committee under legal procedure, and under proper parliamentary procedure, and the committee was industriously considering the bill and had held extensive hearings and had called in witnesses from all over the United States, and had treated the matter with the importance that it demanded, a gentleman rose in the other body and by motion attempted to attach the same bill that had already passed the Senate to the debt-limitation bill which had passed the House and which was then under consideration in the Senate. The Members will recall that a short while ago we passed a bill providing for the increase in the debt limitation from \$30,000,000,000 to \$45,000,000,000. That was the bill that was up in the Senate for consideration at the time to which I refer. As I said then, they were attempting to attach it as a rider to a bill which was not germane but on the contrary was in no sense appropriate. That was not a justified procedure. That was simply a usurpation of the rights of the House by the Senate. The Senate did adopt the motion and this bill was added to the other bill and passed by the Senate. This is a case of the Senate twice passing a measure before giving the House a chance to act on it. If you vote down this bill which comes from your own committee, you are repudiating your own committee and approving the conduct of the Senate in the course of usurpation of your own rights and liberties. If this bill fails, then the chairman of the Ways and Means Committee may call up this debt-limitation bill with this rider on it and ask the Congress to appoint conferees. In

that way the Senate will have voted on a bill twice while the House has not voted at all. It will be a case of the Senate making monkeys out of us. We should resent this procedure and show our resentment by demanding our rights.

We ought to have some dignity and we ought to show it by demanding our rights. We ought to stand on our own feet as Congressmen and say to that body that we do not propose that they shall dominate this House. We control this body ourselves, we are Congressmen duly elected, and we owe it to ourselves and our predecessors and our successors to maintain our constitutional prerogatives.

Mr. SHORT. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. Yes; I gladly yield to my eloquent friend from Missouri.

Mr. SHORT. I think every fair-minded Member of the House will have to admit that the Senate amendment to the debt bill was brought in here in a highly improper way, and that it is an affront to the dignity and integrity of this body.

Mr. JENKINS of Ohio. It is little short of an insult.

Mr. SHORT. I think it was an underhanded attempt to take this legislation away from the Committee on Military Affairs and give it to the Committee on Ways and Means.

Mr. JENKINS of Ohio. And that ought to be a sufficient reason in itself for any Member to vote for this committee amendment, especially when I think of what is coming before us if it should fail, and will be here probably tomorrow. The chairman of the Committee on Ways and Means will rise and ask to take up this conference report, and they will bring that back to the House with this T. V. A. amendment to it. That is not a way to legislate; that bill will then be rammed down our throats. Today we have a chance to vote as free Congressmen. And if we do not embrace our opportunity, the next time we vote on this matter we may vote as parliamentary slaves.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. JENKINS of Ohio. Yes; I am glad to yield to my friend, the distinguished chairman.

Mr. MAY. The gentleman understands, of course, that this amendment of the House Military Affairs Committee permits a full and complete confirmation of this contract agreement.

Mr. JENKINS of Ohio. I was coming to that. Let us take the merits of the bill. What does the Senate bill do? What does it purport to do? It is intended to furnish money with which to buy all the competing lines. Very well. If you agree to that on the Democratic side and we agree to it then it is established that the primary purpose of the Norris bill is to furnish money with which to buy these competing lines. We should provide the amount that was necessary and no more. The minority members of your investigating committee realize that all of this money had been spent down there in beautiful dams and lakes, and we know that those should not be demolished. We have to make the best of that situation as we now find it. We recommended that the agricultural features of the T. V. A. activities be put under the Agricultural Department of the Government where they belong. And that the navigation, if you can find any down there, should be put over under the War Department where it logically belongs, and that flood control should be put under the War Department, where it naturally belongs.

And then we recommend that in order to prevent ruthless and destructive competition between the T. V. A. and competing power companies that the Government, through the T. V. A., or in some other sensible way purchase or condemn the power companies and pay them a fair price for the property that the Government threatens to confiscate. How much will it take? Has any Member speaking this afternoon told us that it is going to require \$100,000,000? I repeat has anyone stood on this floor and said that it is going to require \$100,000,000? Not a single individual. If I were arguing to a jury, I think that would be sufficient proof to establish my case. Not a single individual says that \$100,000,000 is necessary. Everybody says \$65,000,000 is enough, and if \$65,000,000 is enough, what is the use of

shoveling out \$35,000,000 more—more than anybody asks for, when nobody says that it is necessary. Of course, if you give it to them, they will spend it in some way, they will spend it for fly swatters, or strawberry boats, or some other foolishness.

Mr. SHORT. Oh, probably it should be given to them because of the splendid condition of the United States Treasury.

Mr. JENKINS of Ohio. Yes; that may be an inducement also. They have had absolutely no regard for expenses, they paid one company \$500,000 profit on a tract of land that it had purchased a short time previously. They stalk through the land with an omnipotent tread as they defy State sovereignties and the private rights of the people.

Now, let us proceed a little further. The gentleman from Michigan [Mr. CRAWFORD] raised a very vital point about the bonds which are proposed to be issued for this \$61,500,000. If the language providing for the issuance of those bonds is not sufficient, it is just too bad. If you will refer to section 15 of the original T. V. A. Act, where the Congress allows the T. V. A. to issue \$50,000,000 of bonds whenever certain emergencies arise—I do not have time to go through all of this language, but the first five or six lines of your bill are very similar to the first five or six lines of that section. In that act Congress gives the right to the Treasury Department to issue these bonds. That is what it does in this act.

So that if \$65,000,000 is enough, and if the bonds are sufficiently well prepared from a legal standpoint, I ask you, what is there left? That is the issue. It is clear and unmistakable. Are you going to say it is a partisan issue and that as a member of the majority party you are bound to vote against this amendment? We cannot in good conscience do that. If anybody should stand against this as a partisan proposition it is the Republicans for we have quite generally voted against the T. V. A.

Most of us have voted against it quite consistently. Today we, as Republicans, are accepting the fact of the great T. V. A. expenditures for dams, and so forth. We might in the name of consistency refuse to support any proposition of any kind. However, now that these great, expensive dams and other public works have been constructed, no reasonable person would want to tear it down and destroy it. We must go ahead with it. Now, we Republicans say, "Yes, we want you to have enough money to buy these lines. We want you to redeem these bonds yourself. We think you get these benefits and you should help pay for them. We do not want to pay your taxes for you—you should do that yourselves. You have had a lot of trouble with your taxes down there, because you have taken so much property out of taxation. We told you that that would happen, but you laughed at us. Now, we provide that you pay your own taxes, just as we do in Ohio, New York, Massachusetts, and all of the other States of the Union. We pay for our own; and you should pay for your own. [Applause.]

That is fair, is it not? Yes. You inundated the best land in the States and you are going to take these properties out of taxation. Let us be fair. Uncle Sam should not be made the goat of every transaction. The people in the Tennessee Valley have been showered with millions and now they must get along and apply themselves to paying their own way as all the other sections do.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. MAY. Mr. Chairman, I yield the gentleman from Ohio 1 additional minute in order that I may ask him a question.

The gentleman understands that the original T. V. A. Act was passed under what was thought to be the war powers of Congress, as a matter of national defense. When the vote was practically unanimous, as stated by the gentleman from Texas, it was on the idea that we were setting up a national-defense proposition at Muscle Shoals for the manufacture of nitrates.

Mr. JENKINS of Ohio. Yes. The whole T. V. A. program has been established under false pretenses. They claim that it is primarily a navigation and flood-control

project and that power is an incident to these other two activities. It is an insult to the intelligence of one who knows the facts to make such claims. This whole program is a power program under the cloak of something else. Neither the Constitution nor the courts sustain power activities by the Government except as an incident to some constitutional activity such as navigation. The Government has no business in the power business except to dispose of power that is a natural incident to some other activity. The T. V. A. is a wolf in sheep's clothing; already it is being found out. This whole day's business and the passage of this bill is nothing except an effort to do something that is directly the result of the deceit of those who are responsible for the establishment and operation of this gigantic, illegitimate agency. They now find that they sowed to the wind and now they are reaping the whirlwind. They are demanding another \$100,000,000 to spend and demanding that Uncle Sam pay their taxes, which is unprecedented even in these days when the Government seems to be doing everything that anybody asks. How long can Uncle Sam and Santa Claus be one and the same? Hasten the day when we may again realize that thrift is a virtue nationally as well as personally! [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. MAY. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut [Mr. SMITH], a member of the committee.

Mr. SMITH of Connecticut. Mr. Chairman, I do not want to take a great deal of time, but I believe I should state my attitude, which I think reflects that of a great many Members of the House on the proposed legislation.

This bill was brought before the full committee yesterday, as has been stated, and most of the members of the full committee had never seen the hearings, had no opportunity to know exactly what was in them. There are some things under the T. V. A. that have been irritating to a great many Members at different times. There are some things we think that should be changed. But here we are faced with the situation of this contract expiring, and the legislation was brought in originally in an effort to implement that contract. I think we should stick to that in this legislation and not try to rewrite the Tennessee Valley Authority Act. As I say, the legislation was brought in for that purpose. I think the amount is too great and I believe we will be able to amend that. If we defeat the committee amendment to the bill, then the so-called Norris bill will be open to amendment, and we can amend it and make it \$65,000,000, which I think is the figure that has been justified. I think that is the course we should take and pass the bill in that form, providing merely for the \$65,000,000 and not attempt today to rewrite the Tennessee Valley Act.

Mr. MAY. Will the gentleman yield?

Mr. SMITH of Connecticut. I yield.

Mr. MAY. The gentleman then is willing to surrender the prerogatives of his own committee of the House of Representatives to the United States Senate in order to get peace with them; is that the gentleman's idea?

Mr. SMITH of Connecticut. I will say to the chairman of our committee that I am not willing to surrender any prerogatives, and I am not willing to write legislation in a hasty manner such as we are forced to do under the circumstances here. It is no fault of the chairman, but the situation that arose, with this contract running out next week, has forced this hasty action. I would rather have the committee spend time and go over the Tennessee Valley Authority Act and amend it if we are to rewrite that fundamental act, which governs an activity which has cost us so much money and in which we will have so great an investment by the time it is finished. I believe that at this time we should legislate to meet the situation which is more or less of an emergency, to be fair to the people who are investors in the utilities in the area served by the T. V. A., and do it properly and not try to go further at this time. [Applause.]

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I yield to the gentleman from Georgia [Mr. WHELCHER] 5 minutes.

Mr. WHELCHER. Mr. Chairman, it is not my purpose to try to discuss the merits of this measure, but there is a certain phase of it that I am vitally interested in. I feel very keenly the position that I take with reference to this. It has to do with the tax situation.

Representing a portion of Georgia that is affected by this, I feel constrained that for you to understand this I must submit to you certain evidence that would bear out my case. Being a lawyer, I only know one way; that is, that my probata should at least conform to the allegata.

In that connection, on May 14 I introduced a bill in the House having for its purpose the following:

This bill of mine has for its purpose to amend an act known as the Tennessee Valley Authority Act of 1933, so as to provide reimbursement to certain communities for loss of taxable values, and so forth. Primarily, Mr. Chairman, there is one county in my district, a small one, which is very greatly affected, and it is to this county that I wish to address myself particularly. It will sustain a tax loss, if this bill goes into effect, of \$60,000. This does not sound like a great deal of money here in a body where we deal in millions, but I submit to you that to a small municipality or a small county, the loss is so great that it means they will be wiped out, so to speak. In this particular county the Tennessee Electric Power Co. paid taxes in the approximate sum of \$60,000; \$30,000 was paid to the county of Fannin—that is the county to which I refer—\$30,000 for general tax purposes, and \$10,000 was paid to the county covering five new levies for schools, and \$10,000 for the Blue Ridge district school, and so forth. Thus I feel that an injustice is being done—of course, not intentionally—by this committee if they do let this legislation pass without a corrective amendment; and I will tell you why: The bonds that have been floated for the county could not be met, and the school situation would be deplorable; in fact, this one county in particular would be absolutely submerged and would have to be taken over by a larger county. I am certain that this committee, and the Congress as a whole, do not have as their intention or purpose a desire to do an injury to a helpless county.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. WHELCHER. I yield.

Mr. MAY. The gentleman understands, of course, that the Norris bill makes no provision for setting up any kind of tax system, while the House bill does provide that the taxes should be assessed against the local distribution communities based on the kilowatt charge made for electricity. The House bill is more favorable to the gentleman's constituents than the Senate bill.

Mr. WHELCHER. I think that is correct. As I remember it the Senate bill does not make any provision for taxation; but as I stated before I think some measure ought to be passed, or amendment adopted at this time to correct this situation. At the proper time I shall offer such an amendment and I earnestly solicit your support and help in carrying it through. The condition in Fannin County is not a single and sole example of what the effects of this bill will be, for there are many other counties in Tennessee and other States that will be similarly affected.

Mr. SPARKMAN. Mr. Chairman, will the gentleman yield?

Mr. WHELCHER. I yield.

Mr. SPARKMAN. Did not the gentleman intend to state that the bill as reported from the committee was more favorable with regard to taxes than the Norris bill? The Norris bill does not mention taxes whereas the bill reported from the committee says absolutely that there shall be no tax redress, and states it as a policy of Congress that never shall the T. V. A. or the United States Government pay any tax losses.

Mr. WHELCHER. That is the situation, and it works a very great hardship on many of these counties. Again, I

solicit support for this amendment because I think it is meritorious and equitable. [Applause.]

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I shall take about half a minute to make a final statement on this measure.

Mr. Chairman, your committee has labored hard, and has acted conscientiously in an effort to conserve the resources of the taxpayers of this country. We have made no attempt whatever to cripple the Tennessee Valley Authority. We have simply approached the matter as a business proposition with a desire to see to it that the interests of all the taxpayers of this country are not sacrificed. We have felt, however, that when another body passes any sort of measure and sends it over to the House and it is referred to a committee of the House, that the House committee has the authority and the right to make any amendments it wishes. Any other position would mean that the House of Representatives proposed to surrender its prerogatives and be dominated by another body regardless of whether there were any hearings or not, as was the case in this instance.

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk read as follows:

Committee amendment: Strike out all after the enacting clause and insert:

"That section 4 (j), as amended, of the Tennessee Valley Authority Act of 1933 is amended by adding at the end thereof the following: 'Notwithstanding any of the foregoing provisions of this subdivision or any other provision of this act, after the date of enactment of section 15b no dams, appurtenant facilities, generating plants, transmission lines, rural distribution lines, or other electric-utility properties, except properties of the Tennessee Electric Power Co. and Southern Tennessee Power Co. and exempt properties of the Mississippi Power Co. and the Alabama Power Co. in the counties in northern Mississippi and northern Alabama hereinafter named, shall be constructed or acquired unless the construction or acquisition of the same shall first have been submitted to and approved by the Congress of the United States; and the Corporation shall not construct or acquire or extend credit for the construction or acquisition of any transmission lines or other facilities outside the territory drained by the Tennessee River and that portion of the drainage area of the Cumberland River in which the property embraced in the contract between the Tennessee Valley Authority and the Commonwealth & Southern Corporation and others, dated as of May 12, 1939, is located; and the Corporation shall not sell or deliver power to any person, firm, corporation, municipality, or other agency for use outside (1) the territory drained by the Tennessee River, (2) that portion of the drainage area of the Cumberland River in which the property embraced in such contract is located, (3) those portions of counties on such date of enactment being supplied with electric power or on such date of enactment under contract to be supplied with electric power by the Corporation, and (4) the following counties in northern Alabama and northern Mississippi: The counties of Jackson, Madison, Limestone, Lauderdale, Colbert, Lawrence, Morgan, Marshall, DeKalb, Cherokee, Cullman, Winston, Franklin, Marion, and Lamar in northern Alabama, and the counties of Calhoun, Chickasaw, Monroe, Clay, Lowndes, Oktibbeha, Choctaw, Webster, Noxubee, Winston, Neshoba, and Kemper in northern Mississippi.'

"Sec. 2. The second paragraph of section 9 (b), as amended, of the Tennessee Valley Authority Act of 1933 is amended to read as follows:

"All moneys heretofore or hereafter made available for expenditure in carrying out the purposes of this act shall be withdrawn from the Treasury only pursuant to accountable warrants for advances to the credit of an adequately bonded disbursing officer, as determined by the Comptroller General of the United States, or certificates of settlement issued by the General Accounting Office: *Provided*, That the Comptroller General is authorized, in his discretion, to allow credit for payments from moneys under the control of the Corporation, not otherwise allowable, when shown to be reasonably necessary to the accomplishment of the work authorized by law to be done by the Corporation."

"Sec. 3. Section 13 of the Tennessee Valley Authority Act of 1933 is amended by adding before the period at the end thereof the following: "; and no change in said percentages shall be made to reflect any loss in tax revenue to any State, or any political subdivision thereof, by reason of the ownership or use by the Corporation of, or income derived by the Corporation from, any property for or connected with the generation or transmission of electric power, and no payments, except as may otherwise be authorized in this section, shall be made by the Corporation or by the United States for, or on account of, or in lieu of, any such loss in tax revenue, it being the intention of Congress that any such loss in revenue be recovered by the several States involved in such manner as each may see fit from the persons benefited by the use of electric power generated by the Corporation."

"Sec. 4. The Tennessee Valley Authority Act of 1933, as amended, is amended by adding after section 15a the following new sections:

"Sec. 15b. No bonds shall be issued by the Corporation after the date of enactment of this section under section 15 or section 15a except pursuant to a contract under section 12a between the Corporation and the city of Memphis, Tenn., entered into prior to June 12, 1939.

"Sec. 15c. With the approval of the Secretary of the Treasury the Corporation is authorized, after the date of enactment of this section, to issue bonds not to exceed in the aggregate \$61,500,000 outstanding at any one time, which bonds may be sold by the Corporation to obtain funds, \$7,000,000 of which may be used solely for the purchase, integration, and rehabilitation of electric utility properties of the Mississippi Power Co. and Alabama Power Co. in the counties in northern Mississippi and northern Alabama named in section 4 (j), and to carry out the provisions of sections 12a in such States in connection therewith, and the remainder of which may be used solely for the purchase, integration, and rehabilitation of the electric utility properties of The Tennessee Electric Power Co. and Southern Tennessee Power Co., as contemplated in the contract between the Corporation and the Commonwealth and Southern Corporation and others, dated as of May 12, 1939, and to carry out the provisions of section 12a in Tennessee in connection therewith. Such bonds shall be in such forms and denominations, shall mature within such periods not more than 50 years from the date of their issue, may be redeemable at the option of the Corporation before maturity in such manner as may be stipulated therein, shall bear such rates of interest not exceeding 3½ percent per annum, shall be subject to such terms and conditions, shall be issued in such manner and amount, and sold at such prices, as may be prescribed by the Corporation with the approval of the Secretary of the Treasury: *Provided*, That such bonds shall not be sold at such prices or on such terms as to afford an investment yield to the holders in excess of 3½ percent per annum. Such bonds shall be fully and unconditionally guaranteed both as to interest and principal by the Corporation and not by the United States. With the approval of the Secretary of the Treasury, the Corporation shall have power to purchase such bonds in the open market at any time and at any price. None of the proceeds of the bonds shall be used in the performance of any proposed contract negotiated by the Corporation under the authority of section 12a of this act until the proposed contract shall have been submitted to and approved by the Federal Power Commission. When any such proposed contract shall have been submitted to the said Commission, the matter shall be given precedence and shall be in every way expedited and the Commission's determination of the matter shall be final. The authority of the Corporation to issue bonds hereunder shall expire January 1, 1941, except that such bonds may be issued at any time after the expiration of said period for refunding purposes or to provide bonds or funds found necessary for the performance of any contract entered into by the Corporation, prior to the expiration of said period, under the authority of section 12a of this act.

"Sec. 15d. The Corporation shall provide from the earnings of the electric properties of the United States controlled and managed by the Corporation pursuant to this act interest on its outstanding bonds issued under sections 15, 15a, and 15c, and shall, prior to each interest date, deposit the same in such agency as may be designated from time to time by the Secretary of the Treasury, and such funds, so deposited, shall be used to pay the interest on such bonds when and as such interest becomes due. The Corporation shall also issue to the Secretary of the Treasury one or more bonds, in such denominations and with such maturities not exceeding 50 years as the Secretary of the Treasury may designate, in an amount equal to the total cost allocated to the development of power and the total cost of the other properties controlled and managed by the Corporation and devoted to the transmission or distribution of electric power for sale; and the Corporation shall provide from the earnings of such electric properties interest on such bond or bonds, and shall deposit such interest when and as such interest becomes due in the Treasury of the United States. Such obligations shall bear interest at a rate equal to the average rate of interest payable by the United States on its obligations having a maturity of 10 or more years after the dates thereof, issued during the last preceding fiscal year in which such obligations were issued. The Corporation shall also provide from the earnings of such electric properties an annual sinking fund in such amount as will be sufficient to pay at maturity the entire principal of the bonds issued pursuant to this act, which sinking fund shall be deposited in an agency to be designated by the Secretary of the Treasury, and shall be used to retire said bonds as they mature. Such payments to the sinking fund shall be uniform in amount and shall be so distributed as to time that each year will bear its proportionate share of the total. It is the declared purpose and intent hereof that the principal and the interest on all such bonds shall be paid in full at or before maturity by the Corporation from the earnings of such electric properties."

Mr. SPARKMAN and Mr. RANKIN rose.

The CHAIRMAN. The Chair recognizes the gentleman from Alabama, a member of the committee.

Mr. SPARKMAN. Mr. Chairman, my purpose in rising at this time after the close of a long and arduous general debate is simply to state a few things with reference to the bill. During general debate I stated to you in good faith that this measure destroys T. V. A. It does that very thing. It limits

the territory in which T. V. A. can serve. It makes it impossible for T. V. A. to sell current—the current that is generated as a result of the work done by the T. V. A., following the instructions of Congress. It forbids the sale of that current in the place that it should be sold, logically and economically.

The bill can never become law. I believe I know that so firmly that I can state it to you unhesitatingly.

Mr. HOBBS. Mr. Chairman, will the gentleman yield?

Mr. SPARKMAN. I yield.

Mr. HOBBS. And if it were to become law in its present form the purchase contemplated could never be consummated.

Mr. SPARKMAN. The gentleman is absolutely right.

The provision limiting the operation of the T. V. A. is absolutely unworkable, as I pointed out in my general statement. These amendments, as the gentleman from Connecticut has so well said, have been put into this bill absolutely without any evidence before our committee justifying them. No one was called to testify to the effect of removing the Federal guaranty off the bonds. The gentleman from Michigan has propounded some thought-provoking questions here. The chairman of the Committee on Military Affairs stated in answer to one of those questions that the board of directors would be authorized under this act to give a mortgage on property belonging to the United States Government. I do not believe that any agency of the United States Government can mortgage United States Government property unless it is specifically authorized to do so.

My purpose in getting up here is to state that I had intended to offer an amendment to the first section of the bill and various other sections of the bill. Amendments also were to have been offered by various members of our committee and others. After consulting with some of the members of the committee we reached the conclusion that if the committee amendment should be voted down, then the Norris bill would be before us for amendment. In this event should the amendment be voted down, I shall offer an amendment reducing the amount of the bond authorization to \$65,000,000. It is not a sufficient amount, but we can squeeze through on that and that seems to be the greatest contention here this afternoon. Mr. Chairman, I want to implore the members of the committee to vote down the committee amendment, which then would bring the Norris bill before us and would open it for amendment. It is my assurance that I will offer an amendment to reduce the amount of the bond authorization to that which the opponents say will be sufficient, namely, \$65,000,000.

Mr. RICH. Will the gentleman yield?

Mr. SPARKMAN. I yield to the gentleman from Pennsylvania.

Mr. RICH. The gentleman made a statement that this bill cannot become law. What does he mean?

Mr. SPARKMAN. Well, I believe the gentleman has had sufficient practical experience to know what I mean. First of all it certainly would not be acceptable to the other body, but even if it should be, if the gentleman will go back and refer to the various statements that the President has made with reference to these matters, he will know that he could not sign the bill unless he departed from some of those policies.

[Here the gavel fell.]

Mr. MAY. Mr. Chairman, I move to strike out the last two words.

Mr. SHORT. Will the gentleman yield for a brief question?

Mr. MAY. I yield to the gentleman from Missouri.

Mr. SHORT. Are we to swallow this obnoxious thing simply because the President of the United States and the Senate insists upon it?

Mr. MAY. Mr. Chairman, I am not asking the House of Representatives to swallow anything. I am asking them to recognize the hard work of their own committee. When the gentleman from Alabama who has just addressed the House said he would offer an amendment to strike out a

provision of the Norris bill in the event you beat the committee bill, to substitute \$65,000,000 for \$100,000,000, he made an open admission on the floor of the House in the presence of the members of his own committee that he prefers taking a cold piece of hash, a rough rider on a stray horse, that is sent over from another body and he admits that \$65,000,000 is all they need. Now, if that is all the money the Tennessee Valley Authority needs to buy out these utilities, who on this floor is going to be able to justify a vote for \$100,000,000?

When you go back to your constituents, when they talk to you about your economy program, when we Democrats talk about our 1932 platform, when we talk about relief and funds for this and funds for that and our constituents look us straight in the face and ask us, "Can you explain how it is you deliberately voted for the Tennessee Valley Authority that has demonstrated its extravagance and its unthriftiness an extra \$35,000,000 to turn it loose down in the South to exploit a few more taxpaying industries?" How are you going to answer that? The only way you can explain it is that you want to make this a partisan measure in order that it may be passed by the partisan majority we have in the House of Representatives.

Mr. Chairman, I have never considered this a partisan measure, and I do not consider it a partisan measure now. It is merely a matter of cold-blooded business for the constituents which we represent who must go down in their pockets, and for the railroad men who are to lose their jobs, and the coal diggers who are to lose their jobs by the competition of a laborless industry. Those are the people I am going to be able to answer and tell them: "I made the gamest fight I could make. I did my best to save your money." Then my colleagues on this side of the House will have to answer for themselves. My hands are clean. My skirts are clear, and I have no apology to make for my position.

Mr. RANKIN. Mr. Chairman, I want to call the attention of the House to the fact that the Tennessee Valley Authority already has the power to issue \$100,000,000 of bonds. This change is merely made in order that they may meet the provisions of this contract and buy out the generating plant belonging to the Commonwealth & Southern in that area. This is done, not to accommodate the Tennessee Valley Authority but to accommodate the power companies that you Republicans have been telling us we were mistreating by taking their property for nothing.

I hope you will vote down the House bill. That will bring the Senate bill before us for consideration. If the House bill is agreed to, you might as well not vote at all because it kills the entire legislation. It kills the contract.

It will not kill the T. V. A. It will not destroy the T. V. A. The T. V. A. will be here when we are all dead, gone, and forgotten and will still be serving the American people. However, it will kill the contract and shut off the hopes of those men, including Mr. Willkie, head of the Commonwealth & Southern, who have been trying to get this measure through so that an amicable settlement of this matter could be had.

I hope the House bill will be voted down and that the Senate bill will then be taken up and passed. [Applause.]

Mr. THOMASON. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I rise to say that I feel confident that the committee bill, which we have been debating here all afternoon, will be voted down; at least, I express that hope. In that event the vote would recur on the Senate bill, S. 1796, as it came to us. I should like to inform the House at this time that in the event the bill the committee reported is voted down and the vote recurs on the Senate bill, I propose to offer an amendment reducing the amount from \$100,000,000 to \$65,000,000 in line with the good faith which I am sure has been suggested by my distinguished chairman.

Mr. CREAL. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I wish to address my remarks particularly to one little vein of thought that has run through all the opposition. Nearly every speaker, to some extent, lamented the Government's entering business and prophesied state so-

cialism. Let us think for just a minute. Once upon a time the carrying of a message or a letter was done by a man for hire, until we established a post-office system, and nobody wants to go back to the private delivery of mail. How long has it been since the States and the Federal Government have been in the great road-building business? Prior to that time all over the country were ferries and toll bridges and toll roads built by private capital. They had to pass on their way and serve the good of the greater number, but it was not socialism to do that.

Once upon a time there were a lot of school teachers getting high salaries for tutoring wealthy pupils, but the State entered the educational system and appropriated money so that just anybody could go to school, and that knocked their jobs into a cocked hat. But who would say that our educational system is socialism? And so on and on I might go to enumerate numbers and numbers of other things we have done that might at one time or another have been called at the time they were instituted steps toward interfering with somebody's private business.

I am told by one of the speakers that there are 4,000,000 stockholders in private utility. Not all these stockholders by any means are opposed to the T. V. A. or to its allied interest, the rural-electrification program, not by any means, because a lot of the stockholders are dealers who sell electrical equipment along the extensions made by the T. V. A. A lot of the stockholders are retired farmers scattered all around through the villages, and their big problem now is hunting rural electrification and cheap rates. They are giving away what little interest they might have had in the form of small dividends for the greater public, common good.

One thing is wrong with this bill and you will have to agree with me that it is wrong and it is because of this one fact: It seeks to handcuff and quarantine the activities of the T. V. A. That is wrong. Either the T. V. A. ought to be abolished if it is doing the wrong thing—there ought to be a bill in here taking away all its authority—or, if it is doing good, it ought to be extended. Can you come along here and say "We are going to let you keep on doing a certain amount of public wrong but we are going to place a limitation on your activities"? For that reason, I say the bill is dead wrong and it is bound to be wrong one way or the other. There either ought to be a bill to repeal in toto all the activities of the T. V. A. or there ought to be a bill to extend it, one way or the other. Any effort made merely to quarantine it or handcuff it or freeze it in its present position is absolutely wrong.

I am opposed to the Government's making neckties and watches and plow handles, but there are a few things concerning which you have to make an exception. Is it socialism for all the cities of the country, or nearly all of them, even the crossroads villages, to own their water systems? Is it socialism for them to own their own lighting plants? If not, it is not socialistic to be against this measure. [Applause.] There is no more reason for a monopoly on electricity than water, fresh air, or sunshine.

[Here the gavel fell.]

Mr. WHELCHER. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. WHELCHER: Page 11, after line 3, insert a new paragraph, No. 15e, which reads as follows:

"That the T. V. A. shall, and is hereby required to, pay into the treasury of each State, county, municipality, school, or other taxing district in which it has acquired or may hereafter acquire and own any franchises or property, real, personal, or mixed, a sum of money equal to the sum or sums of money now or hereafter levied or assessed against all such property for purposes of taxation by the local taxing agencies of such States, counties, municipalities, or local taxing districts, all such amounts to be from time to time ascertained and fixed by such State and local taxing authorities as now exist or may hereafter be created or authorized by law in all States, counties, municipalities, and taxing districts in which said T. V. A. may now or hereafter own property: *Provided, however,* That the sums of money so paid by it shall not be greater than the sums required to be paid by other persons and corporations owning property of like character and value in the same communities, States, counties, and local taxing districts."

The CHAIRMAN. Does the gentleman from Georgia ask for recognition on the amendment?

Mr. WHELCHER. No, Mr. Chairman.

Mr. CLASON. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I believe this amendment brings out the very point we have in mind, whether the taxes are to be paid through the charging of an extra sum in the rate paid by the consumer, or they are to come out of the general fund in the Treasury of the United States. The T. V. A. at the present time is under contract with various municipalities as to the amount of money the T. V. A. shall receive from the municipalities for its electricity. This being so, there is no further sum coming into the T. V. A. after this bill is passed with which to reimburse these communities, and this would mean that the money would have to come from the taxpayers of the whole country and not from those who are at present paying those taxes, because the companies which are furnishing the electricity at the present time and own these properties secure the money for the taxes from the rate they charge the ultimate consumer.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield to the gentleman from Mississippi.

Mr. RANKIN. Let me say to the gentleman from Massachusetts and the gentleman from Georgia that this amendment ought to be defeated by all means. A bill is now pending before the Senate in which they are attempting to work out a provision that will take care of the situation at which the gentleman from Georgia is striking, but I believe the gentleman from Massachusetts is entirely right that this tax ought to be imposed, even though it might affect my State.

Mr. CLASON. I should like to say, however, that this tax question ought to be settled here today, and that is what the people down in the Tennessee Valley ask.

They say now, "Every citizen who recognizes the seriousness of the tax situation which will face the States and counties when the private utilities of the valley become part of a governmental system ought to get in touch with Governor Cooper and the Tennessee Senators and Congressmen and see to it that the tax question is settled at the same time this bill passes the House."

This is what the committee bill provides.

Mr. MAY. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield.

Mr. MAY. The gentleman will recall that this is the amendment which I offered in the whole committee and which was defeated by the committee, and I said at the time that when you took out of the hands of local governments and local communities the power to levy and collect revenue, you destroyed local government, and that was the ground on which I urged the amendment, but as chairman of the committee that is sponsoring this bill, on behalf of my committee, I am opposed to the amendment offered on the floor of the House.

[Here the gavel fell.]

Mr. RANKIN. Mr. Chairman, we are about to vote on a bill which proposes to amend the Tennessee Valley Authority Act. The House Military Affairs Committee is offering a destructive amendment as a substitute for the Norris bill, which passed the Senate a month ago. Its object is not to aid but to injure the T. V. A.

If this House bill or amendment should be substituted for the Senate bill, and the measure should become a law, it would simply paralyze the T. V. A. and shut the door of hope in the faces of millions of consumers of electric light and power who are crying out for relief from the exorbitant rates they are now compelled to pay.

If this amendment is voted down, the Norris bill will be before the House; then, if it should pass and the measure become a law, the contracts now pending between the T. V. A. and the Commonwealth & Southern would be consummated, and the controversy between them would be ended so far as the particular areas involved are concerned.

If this House bill should be adopted as a substitute for the Senate bill, it never would become a law. The Senate would not accept it, and if it did, the President would not sign it.

Time will not permit me to discuss all the obnoxious provisions of the proposed substitute, but I want to take up the two most vicious ones and point out what they really mean. I want to show that every Member who votes for this substitute with these provisions in it will be voting against the interests of the people he represents, and that every man from the States of North Carolina, South Carolina, Georgia, Alabama, Tennessee, Mississippi, Louisiana, Arkansas, Missouri, Illinois, Indiana, Ohio, Kentucky, West Virginia, or Virginia who votes for these House provisions will simply be voting to rivet the chains of the Power Trust about the necks of the people of his own State.

Now let us see what those provisions are and what effect they would have if written into law.

On page 4, line 14, you will note it is proposed to amend section 4 (j) of the Tennessee Valley Authority Act of 1933, as amended, by the addition of the provision that—

No dams, appurtenant facilities, generating plants transmission lines, rural distribution lines, or other electric utility properties * * * shall be constructed or acquired unless the construction or acquisition of the same shall first have been submitted to and approved by the Congress of the United States.

This amendment, if adopted, would destroy the possibility of operation of the T. V. A. system. If a transformer supplying a city should burn out, its immediate replacement is essential; if a storm destroys a transmission tower, it must be replaced in a few hours. An amendment which requires the T. V. A. to come to Congress for approval of such routine construction, as this amendment does, can have no other purpose than to prevent the T. V. A. from rendering any service at all of a reliable kind. Some Power Trust lawyer evidently wrote that provision.

Every Member of Congress is aware that Budget estimates are prepared almost a year in advance of the time of expenditure. Obviously the Authority cannot know a year in advance every minor repair, replacement, or extension, which would be a necessary part of normal operations.

Under the present law, all major projects are submitted for the approval of the Congress when the annual appropriation bills for the Authority are before it. To require that no minor extensions, not even routine replacements, not even a rural power line, should be undertaken without an act of Congress can only be intended to prevent the Authority from successfully carrying forward the electricity operations already approved by the Congress and reviewed each year.

The Power Trust would give a hundred million dollars to see these provisions adopted—and the people you are supposed to represent would pay it in overcharges the first year.

The remainder of this section would restrict the Authority and prevent it from serving anyone outside the drainage basin of the Tennessee River, excepting only the facilities involved in pending purchase contracts with the Commonwealth & Southern Corporation. This amendment would create a Chinese Wall around the Tennessee Valley Basin. It is simply vicious and absurd. Let me show you what it would do to the people in the States I have just mentioned.

Let me say here that it would not affect the people I represent. I have succeeded in getting T. V. A. power at T. V. A. rates into every county of my district and have a rural-electrification project in every county under which the farmers get power at T. V. A. rates. It has been a long, bitter fight, but I have won out at last. Not only that but not a county that touches the district I represent would be precluded from securing T. V. A. power under the provisions of the House bill.

If I were disposed to play the part of the "dog in the manger," as some Members of the House seem to be, I could gracefully retire—or I probably should say disgracefully retire—from this fight and let the Power Trust continue to rob the people you represent of approximately \$1,000,000,000 a year in overcharges for electric lights and power.

But this is a national issue, one that involves the welfare of all the American people now and for generations to come; and I expect to carry on the fight as long as I am in public life or until we bring justice to all the electric consumers of the

Nation and electrify every farmhouse in America at rates the farmers can afford to pay.

What they are after in this legislation is to destroy the T. V. A. yardstick, the greatest weapon ever devised for the protection of the ultimate consumers of electric lights and power. This yardstick shows what electricity is worth, what the ultimate consumers should pay. If all the people in the country got their electricity at the T. V. A. rates, they would save approximately a billion dollars a year.

Now, remember that we have already reduced light and power rates to the ultimate consumers by \$625,000,000 a year since the T. V. A. yardstick was promulgated; and yet the people of this country are still overcharged approximately \$1,000,000,000 a year. That is a supertax the power interests levy on the unprotected light and power consumers.

Here are the overcharges by States: Last year the people of Alabama were overcharged \$3,317,500 for electricity; Arizona \$5,130,200, Arkansas \$6,470,500, California \$32,623,100, Colorado \$8,013,600, Connecticut \$18,661,700, Delaware \$2,080,700, District of Columbia \$2,980,300, Florida \$17,130,200, Georgia \$12,084,000, Idaho \$3,858,400, Illinois \$72,975,900, Indiana \$21,487,000, Iowa \$15,074,100, Kansas \$8,937,900, Kentucky \$9,208,600, Louisiana \$11,629,000, Maine \$6,831,000, Maryland \$13,280,800, Massachusetts \$44,537,200, Michigan \$39,793,400, Minnesota \$18,903,200, Mississippi \$5,396,800, Missouri \$24,649,400, Montana \$4,206,100, Nebraska \$7,865,800, Nevada \$1,342,200, New Hampshire \$4,589,800, New Jersey \$49,352,200, New Mexico \$2,182,000, New York \$142,284,900, North Carolina \$12,456,500, North Dakota \$3,079,300, Ohio \$53,839,300, Oklahoma \$11,770,600, Oregon \$6,717,300, Pennsylvania \$38,425,200, Rhode Island \$7,693,300, South Carolina \$6,795,300, South Dakota \$3,200,600, Tennessee \$11,429,300, Texas \$32,627,300, Utah \$5,520,800, Vermont \$2,999,300, Virginia \$11,862,000, Washington \$9,686,400, West Virginia \$10,143,400, Wisconsin \$21,935,300, Wyoming \$1,910,000.

By building this Chinese Wall around the T. V. A. and thereby relieving the power companies of any threat of honest competition, leaving the people who pay the bills, and who are begging and praying for reductions in electric light and power rates at their mercy, you Members who support this measure would fasten upon the people you represent the chains of slavery to the Power Trust for all time to come.

Remember that the Army engineers said in their report in 1930 that the transmission distance for electricity from the Wilson Dam on the Tennessee River was 350 miles, and that after computing all costs of constructing the dam and building the transmission line, and then adding 20 percent to the price "in order to be on the safe side," the cost of prime power to the purchaser, at a distance of 350 miles, would be 4.531 mills a kilowatt-hour. That, of course, is the wholesale price, and is less than the wholesale price charged by the T. V. A. to the cities, towns, and communities to which it sells wholesale power throughout the T. V. A. area.

This distance of 350 miles from any one of the dams on the Tennessee River would cover practically all of the States I have mentioned, including the cities of Birmingham, Montgomery, and Mobile, in Alabama; Atlanta, Ga.; New Orleans, La.; Little Rock, Ark.; St. Louis, Mo.; Springfield and Chicago, Ill.; Columbus and Canton, Ohio; and all the other cities and towns within this radius.

I do not say that the T. V. A. will extend its lines to reach all these areas, but I do say that the very possibility of it is forcing the power companies throughout these States to gradually reduce their rates toward the T. V. A. levels; and, as I said, these reductions are now saving the light and power consumers of this country \$625,000,000 a year. They are still overcharged approximately \$1,000,000,000 a year, as I have pointed out. The figures I have given show how much of that amount the people of your State have to pay. It is a tax the Power Trust is levying upon your people. They have to pay it every month, every time they pay a light bill. This huge octopus known as the Power Trust, which you men who support this amendment will be serving, has arrogated to itself the prerogatives of a supergovernment and is demanding that it be given a complete monopoly, not in a private

business but in a public business, that controls the electricity of the Nation, which has now become a necessity of life, and that it be permitted to continue to levy a tax in the form of overcharges amounting to approximately \$1,000,000,000 a year.

The gentleman from Kentucky [Mr. MAY], referring to me, uses this language:

My friend from Mississippi [Mr. RANKIN] eats kilowatts, sleeps with kilowatts, and drinks kilowatts. I would like to ask him if he thinks the coal miners in his congressional district, who load coal to be consumed in the steam plants in the Tennessee Valley area, that are to be put out of business by the hydrodams, can drink kilowatts and eat kilowatts and sleep with kilowatts. I will yield to him a moment to answer the question when I say to him I am sure that those kilowatts that are being developed by these hydrodams will keep his miners sleepless instead of letting them sleep.

That statement just shows the extent of absurdity to which the enemies of the T. V. A. have gone. If the gentleman from Kentucky [Mr. MAY] knows anything at all about the United States, he ought to know that there is not a pound of coal produced in the entire State of Mississippi, and therefore none in my district. As one Member expressed it, he seems to have so much coal dust in his eyes that he cannot see clearly on this proposition.

But I will tell him what he is doing with this amendment. He is shutting out practically the entire State of Kentucky from the benefits of the T. V. A. Even Paducah and Louisville would be denied the use of any T. V. A. power at all under this amendment.

Last year the people of Kentucky used 978,131,000 kilowatt-hours of electricity, for which they paid \$23,501,200. Under the T. V. A. rates, they would have paid \$14,292,600, or \$9,208,600 less. In other words, the people of Kentucky are taxed, or overcharged, more than \$9,000,000 a year for electric lights and power, and the gentleman from Kentucky [Mr. MAY] would forever shut them out so far as future reductions are concerned, and deny to them the benefits of cheap electricity and the use of those electrical appliances necessary to relieve the drudgery of the homes and business establishments throughout Kentucky.

This would only gratify the cupidity of the Power Trust and the coal barons who are in collusion to hold these rates up in order to rob and plunder the American people of a billion dollars in overcharges every year that rolls around. He is doing this under the flimsy pretext that he is helping the coal miners, when, as a matter of fact, he is doing the coal miners an irreparable injury. Power can be produced with coal and distributed at the T. V. A. rates. That would not only give relief to the people in his home district, who are now overcharged for electric lights and power from 60 to 300 percent but it would increase the use of coal and stimulate production of coal, thereby putting more miners to work. But under the flimsy pretext of protecting the coal miners, he is trying to destroy the T. V. A. yardstick and deny to the people of Kentucky, including the people of his own district, the great benefits which cheap electricity would bring them.

He says I eat kilowatts, because of the fight I have waged here for the last 8 or 10 years for justice for the ultimate consumers of electric lights and power throughout the country. If his people ever wake up and realize what he is trying to do to them, they will feel like making him climb a light pole and eat a transformer.

I was amazed, or I should say amused, at the speech of the gentleman from Illinois [Mr. DIRKSEN] in favor of this vicious substitute. He would bring back the "good old days" of Insullism and rivet the chains of the Power Trust permanently about the necks of the people of Illinois, practically all of whom are within the distribution radius of the T. V. A., or will be when Gilbertsville Dam is finished, and easily within the radius of the salutary influences of the T. V. A. yardstick, and practically all of whom are overcharged 100 percent for their electricity.

Last year the people of Illinois used 7,307,560,000 kilowatt-hours of electricity, for which they paid \$167,164,900. Under the T. V. A. rates, the cost would have been \$94,189,000, or \$72,975,900 less. In other words, the people of Illinois are

paying an overcharge of \$72,975,000 a year, according to the T. V. A. rates, almost as much as the entire amount involved in this contract. And yet, in order to prevent these cheap rates from spreading into Illinois, and other surrounding territory, and relieving the people of that State of these tremendous burdens, the gentleman from Illinois [Mr. DIRKSEN] joins the enemies of the T. V. A. in their efforts to destroy this yardstick, which, as I have said, is the greatest instrument ever devised for the protection of the power consumers of this Nation and especially of his own State. And strange to say, some of his colleagues from Illinois are joining him in thus crucifying the power consumers they are supposed to represent.

The gentleman from Illinois [Mr. DIRKSEN] spoke about the so-called losses of the Ontario Hydro Electric Power System. He did not correctly state the facts. The Ontario system did encounter a loss during a short period because of faulty contracts with the private power companies of Quebec. This has been corrected. Over its entire history the Ontario system has made large profits with low rates, about one-third of the rates charged by private power companies in the United States. It is a cooperative combination of the generating and transmission agency and the distributing municipalities. The composite Ontario system sets up reserves of 44 percent of its actual cost compared with about 8 percent for the private power companies in the United States. The distributing agencies have today a debt of only 25 percent of these assets, 75 percent has been paid for out of earnings, and the people of Ontario enjoy the lowest electric rates in America.

This 7,307,560,000 kilowatt-hours, which cost the people of Illinois \$167,164,900 last year, would have cost them \$75,787,600 under the Ontario rates, or \$91,377,300 less.

I wonder—yes, I wonder—why the gentleman from Illinois [Mr. DIRKSEN] attacks the Ontario Power System.

Then comes the gentleman from Indiana [Mr. HARNES] and the gentleman from Indiana [Mr. HALLECK] and their colleagues, and join in this unholy attempt to destroy the T. V. A. yardstick in the face of the fact that the people of Indiana are paying an overcharge of more than \$21,000,000 a year for electric lights and power.

Practically every inch of the State of Indiana is within the distribution radius of the T. V. A. If they all received power at the T. V. A. yardstick rates, even with the present consumption, the annual savings would be \$21,487,000. If these rates were reduced to the T. V. A. yardstick levels, the consumption would double, as it has done throughout the T. V. A. area, and instead of the savings amounting to \$21,000,000 a year, they would probably rise to \$40,000,000 a year in a short time. The people of Indiana, and especially the farmers of that State, are begging and pleading for cheap electricity. This administration has built more than 7,000 miles of rural power lines in Indiana in its attempts to bring the blessings of modern civilization to the people in the rural areas, but all of them are compelled to pay an overcharge of at least 100 percent for their electricity, as compared with what they would pay under the T. V. A. rates.

And yet we find these gentlemen joining the enemies of the T. V. A., shutting out their own State from the possibilities of receiving T. V. A. power, and helping to rivet the chains of slavery about the necks of the power consumers of the State of Indiana. There is no escaping this conclusion. There are only two sides to this question. Members who vote "aye" on this House amendment as a substitute for the Norris bill, are voting for the Power Trust, and against the ultimate consumers of electricity in their own States.

Now, let us turn to the State of Ohio. The gentleman from Ohio [Mr. JENKINS], who has bitterly fought the T. V. A. from the beginning, says that he was over in the Senate the other day when Senator NORRIS was offering his bill as an amendment to the debt limitation bill. He says, "I was terribly shocked at this unusual and unmannerly procedure."

Oh, how offensive it must seem to the gentleman from Ohio to hear a representative of the people in the Senate of the United States pleading for the power consumers of this Nation. I feel sorry for the gentleman from Ohio. It must have

been terribly humiliating to him to hear a man in another body trying to protect the power consumers of his own State of Ohio from the exorbitant overcharges they are now paying for electric energy.

Last year the people of Ohio used 6,945,292,000 kilowatt-hours of electricity, for which they paid \$156,110,800. Under the T. V. A. rates the cost would have been \$102,271,500, or \$53,839,300 less. Now, remember that practically every foot of the State of Ohio is within the distribution radius of the T. V. A. and her people are entitled to the benefits of the T. V. A. yardstick rates.

Every foot of the district represented by the gentleman from Ohio [Mr. JENKINS] is within the distribution radius of Norris Dam, and yet the people he represents are required to pay exorbitant overcharges for electric energy, and as a result use the very minimum, and be denied the benefits of those electrical appliances that go to contribute to their comforts and conveniences and relieve the drudgery in their homes, or add to the profits, comforts, and conveniences of the average business establishment. As I pointed out a moment ago, the coal barons of the State of Ohio and other coal-producing States have joined hands with the Power Trust to try to destroy the T. V. A. yardstick rather than reduce their rates, which reductions would increase the sale of electricity and employ more men who mine coal. At the same time it would supply these miners with electric energy at rates they could afford to pay, and add to their humble homes comforts and conveniences they have never enjoyed before and never will enjoy if these selfish interests have their way.

This administration has built in Ohio alone more than 7,000 miles of rural power lines, now serving more than 18,000 farmers, a large number of them in the gentleman's own district.

Unfortunately those Ohio farmers are compelled to pay an overcharge of at least 100 percent for electricity, as compared with what they would pay if we extended T. V. A. power lines into the State of Ohio and served them with T. V. A. power, to which they are entitled. But instead of helping us to do that, the gentleman from Ohio [Mr. JENKINS] has bent every effort he possibly could to destroy the T. V. A. and to prevent the spread of its yardstick rates throughout the State of Ohio, when it would have relieved the people of that State of an overcharge of more than \$50,000,000 a year on the present load.

After listening to the gentleman from Missouri [Mr. SHORT] in his attacks on the T. V. A., I am at a loss to know whether he was attempting to be funny or profound. In either case I am sure the people of Missouri will not laugh with him, although they may laugh at him—if they laugh at all—when they realize that they are overcharged \$24,649,000 a year for their electric lights and power, compared with what they would pay under the T. V. A. rates.

Practically every human being in the State of Missouri who turns an electric switch is overcharged 100 percent, or more, for his electric lights and power; and there is no district in the State where the people are worse overcharged than the one from which Mr. SHORT comes. Almost the entire State of Missouri falls within 350 miles of one of these T. V. A. dams, which the Army engineers said was a reasonable distance.

Other Members of the House from that State have worked diligently to try to secure for the people of Missouri the cheap rates which the T. V. A. provides, but the gentleman from Missouri [Mr. SHORT], who is a member of the Committee on Military Affairs, has stood like Horatio at the gate and in effect has said to the T. V. A. yardstick, and incidentally to the yardstick influence, "You shall not pass. You shall not bring cheap electric light and power rates to the people of Missouri. They are slaves of the Power Trust and are going to remain in Power Trust bondage."

But, Mr. Speaker, I must not overlook perhaps the greatest hero of them all, the gentleman from Michigan [Mr. DONDERO]. He is the Moses in reverse, standing upon the heights of Mount Nebo at his home in Royal Oaks, Mich., glancing across into the promised land of cheap electricity, Ontario, Canada, and then attempting to lead his people in the

opposite direction. Royal Oaks is just across the border from Windsor, Canada, which is in the Province of Ontario. If the people of Michigan received their light and power at the Ontario rates they would save an average of \$51,982,200 a year. Even under the T. V. A. rates they would save \$39,798,400 a year.

Practically every human being in Michigan is overcharged 100 percent for every kilowatt-hour of electricity he uses. Yet the gentleman from Michigan [Mr. DONDERO] and the gentleman from Michigan [Mr. SHAFER] never lose an opportunity to attack and try to destroy the T. V. A. and the influence of its yardstick rates that have already forced reductions of light and power rates to the people of Michigan by more than \$16,000,000 a year.

Instead of trying to help the people of Michigan get relief from these exorbitant overcharges they come here and attack the greatest agency this Government has ever devised for their relief and protection. This Administration has built more than 5,000 miles of rural power lines in the State of Michigan, lighting up thousands of farm homes that had never before received any electric power at all. But they are all compelled to pay twice what electricity is worth because of the exorbitant rates prevailing in Michigan.

It has been shown that power can be produced with coal at rates that would justify its distribution all over the State of Michigan at the T. V. A. yardstick rates. You can put Diesel engines in every city and every town of any size in Michigan and generate and distribute electricity at the T. V. A. yardstick rates, save the people of Michigan \$40,000,000 a year on the present load, and pay for the entire investment in a few years. But instead of helping us to reduce those rates, every time the question arises in the House we are met with the opposition of the gentlemen from Michigan [Mr. DONDERO] and his colleague [Mr. SHAFER] and others who support them on that side of the House.

But one of the most unusual performances was the gentleman from Wisconsin [Mr. BOLES], who spoke in favor of this vicious amendment. He said he went "from one end of the Tennessee River to the other" and was unable to find any navigation at all. The gentleman from Wisconsin evidently missed the Tennessee River and wandered up Dry Creek. If any man who is so blind that he can go from one end of the Tennessee River to the other and not see any more than the gentleman from Wisconsin says he saw, it would be useless to try to convince him, especially in view of the fact that he says he lost more than his year's salary of \$10,000 in a coal-mine investment in that area. No wonder that statement brought laughter from the Members of the House.

Wisconsin also adjoins Ontario, Canada, where, as I said, they have the cheapest light and power rates in America. If the people of Wisconsin received their electricity at the T. V. A. rates, they would save \$21,935,000 a year; if they enjoyed the Ontario rates, they would save \$27,489,000 a year. Instead of helping us to spread the influence of this yardstick and get rate reductions to the people of his own State, the gentleman from Wisconsin [Mr. BOLES] does not seem to be able to forget the more than \$10,000 he says he lost in a coal-mine deal in Tennessee and joins the opposition to try to destroy this yardstick, and his colleagues on that side of the House go with him, while the people of Wisconsin pay the bill in the form of overcharges for light and power amounting to \$21,000,000 a year.

I want to remind him that this Administration has built more than 6,000 miles of rural power lines in the State of Wisconsin, electrifying thousands of farm homes that had never before received any electricity at all and probably would not have done so during the life of this generation if it had not been for the power policies of this Administration which he is now trying to destroy.

We are still striving to extend this rural electrification to reach everyone in that entire State and in every other State, and to bring their rates down to the T. V. A. yardstick eliminative levels. We realize that practically every human being in Wisconsin who turns an electric switch is paying an overcharge of 100 percent or more for his electric lights and

power; and yet the gentleman from Wisconsin [Mr. BOLES] joins the opposition in their flagrant attempt to block our progress and to destroy the T. V. A. yardstick which, as I said, is the greatest weapon ever devised for the protection of the overburdened light and power consumers throughout every section of the United States.

Mr. Chairman, everyone who votes for this House substitute will be voting against the interest of the power consumers of his own States as well as of the whole Nation. Everyone who votes against this House substitute and for the Senate bill will be voting for the protection of the consumers of electric energy in every State in this Union, and against the iniquitous attempts of the Power Trust to hamper the T. V. A. and to destroy its yardstick, which has done so much to reduce their light and power bills, and will do a great deal more, if undisturbed, in the years to come.

I hope the House will vote down the committee substitute and then pass the Norris bill just as it came from the Senate. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia [Mr. WHEELER].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question is on agreeing to the committee amendment to the Senate bill.

The question was taken; and on a division (demanded by Mr. SPARKMAN) there were—ayes 141, noes 98.

So the committee amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CLARK, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (S. 1796) to amend the Tennessee Valley Authority Act of 1933, pursuant to House Resolution 219, he reported the same back to the House with an amendment agreed to in Committee.

The SPEAKER. Under the rule, the previous question is ordered. The question is on agreeing to the committee amendment.

The question was taken; and on a division (demanded by Mr. MERRITT) there were—ayes 141, noes 135.

Mr. RANKIN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 192, nays 167, answered "present" 2, not voting 70, as follows:

[Roll No. 93]

YEAS—192

Alexander	Crowther	Hope	May
Allen, Ill.	Culkin	Horton	Michener
Andersen, H. Carl	Curtis	Houston	Miller
Anderson, Calif.	Darden	Jarrett	Monkiewicz
Angell	Darrow	Jeffries	Moser
Arends	Dempsey	Jenkins, Ohio	Mott
Arnold	Dondero	Jenks, N. H.	Mundt
Ashbrook	Douglas	Jensen	Murray
Austin	Dowell	Johns	O'Brien
Ball	Drewry	Johnson, Ill.	O'Neal
Barnes	Durham	Johnson, Ind.	Osmer
Barton	Dworshak	Johnson, W. Va.	Parsons
Bates, Mass.	Eaton, Calif.	Jones, Ohio	Patton
Bell	Eaton, N. J.	Kean	Peterson, Ga.
Bender	Edmiston	Kee	Pittenger
Blackney	Engel	Keefe	Polk
Bland	Englebright	Kennedy, Md.	Powers
Boehne	Fenton	Kilday	Reed, Ill.
Bolles	Ferguson	Kinzer	Reed, N. Y.
Bolton	Ford, Leland M.	Kleberg	Rees, Kans.
Bradley, Mich.	Gamble	Kocalkowski	Rich
Brown, Ohio	Gerlach	Kunkel	Robertson
Bulwinkle	Gifford	Lambertson	Robison, Ky.
Carlson	Gilchrist	Lands	Rockefeller
Carter	Gillie	Lanham	Rodgers, Pa.
Case, S. Dak.	Graham	LeCompte	Rogers, Mass.
Chaperfield	Griswold	Lewis, Ohio	Routzohn
Church	Gross	Luce	Rutherford
Clark	Gwynne	McAndrews	Ryan
Clason	Hall	McDowell	Sandager
Claypool	Halleck	McLaughlin	Satterfield
Clevenger	Hancock	McLean	Schaefer, Ill.
Cluett	Harness	McLeod	Schafer, Wis.
Coffee, Nebr.	Harter, N. Y.	McMillan, Thos. S.	Schiffner
Cole, Md.	Hawks	Mapes	Schuetz
Cole, N. Y.	Heinke	Marshall	Secombe
Corbett	Hess	Martin, Ill.	Seger
Costello	Hinshaw	Martin, Iowa	Shafer, Mich.
Cox	Hoffman	Martin, Mass.	Short
Crawford	Holmes	Mason	Simpson

Smith, Maine
Smith, Ohio
Smith, Va.
Springer
Stearns, N. H.
Stefan
Sumner, Ill.
Sutphin

Taber
Talle
Thill
Thomas, N. J.
Thorkelson
Tibbott
Tinkham
Van Zandt

Vorys, Ohio
Vreeland
Wadsworth
West
Wheat
Whelchel
White, Ohio
Wigglesworth

Williams, Del.
Winter
Wolcott
Wolfenden, Pa.
Wolverton, N. J.
Woodruff, Mich.
Woodrum, Va.
Youngdahl

Mr. Myers with Mr. Snyder.
Mr. Eberharter with Mr. Scrugham.
Mr. Anderson of Missouri with Mr. Smith of Illinois.
Mr. Hennings with Mr. Mitchell.
Mr. Smith of West Virginia with Mr. McArdle.
Mr. Allen of Pennsylvania with Mr. Shannon.
Mr. Dies with Mr. Tolan.
Mr. Hendricks with Mr. Monroney.
Mr. Sumners of Texas with Mr. Casey of Massachusetts.
Mr. Beam with Mr. Connery.
Mr. Kelly with Mr. Sweeney.
Mr. Buckley of New York with Mr. Maciejewski.
Mr. DeRouen with Mr. Robinson of Utah.
Mr. Taylor of Colorado with Mr. Sirovich.
Mr. Lesinski with Mr. Buck.

NAYS—167

Allen, La.
Barden
Barry
Bates, Ky.
Beckworth
Bloom
Boland
Boren
Bradley, Pa.
Brooks
Brown, Ga.
Bryson
Buckler, Minn.
Burgin
Byrne, N. Y.
Byrns, Tenn.
Byron
Cannon, Fla.
Cannon, Mo.
Cartwright
Celler
Chandler
Chapman
Cochran
Coffee, Wash.
Collins
Colmer
Cooper
Courtney
Creal
Cresser
Crowe
Cullen
Cummings
D'Alesandro
Dickstein
Dingell
Disney
Doughton
Doxey
Duncan
Dunn

Elliott
Ellis
Evans
Fay
Fernandez
Flaherty
Flannagan
Flannery
Folger
Ford, Miss.
Ford, Thomas F.
Fries
Garrett
Gathings
Gearhart
Gehrmann
Geyer, Calif.
Gibbs
Gore
Gossett
Grant, Ala.
Green
Gregory
Griffith
Hare
Harrington
Hart
Harter, Ohio
Havenner
Healey
Hill
Hobbs
Hook
Hull
Hunter
Izac
Jacobsen
Jarman
Johnson, Luther A.
Johnson, Lyndon
Johnson, Okla.
Jones, Tex.

Kennedy, Michael Poage
Kerr
Kirwan
Kitchens
Kramer
Larrabee
Lea
Leavy
Lemke
Lewis, Colo.
Ludlow
McCormack
McGehee
McGranery
McKeough
McMillan, John L.
Magnuson
Maloney
Marcantonio
Martin, Colo.
Massingale
Merritt
Mills, Ark.
Mills, La.
Mouton
Murdock, Ariz.
Murdock, Utah
Nelson
Nichols
Norrell
Norton
O'Connor
O'Day
O'Leary
O'Toole
Owen
Pace
Patman
Patrick
Pearson
Peterson, Fla.
Pierce, Oreg.

Poage
Rabaut
Ramspeck
Rankin
Rayburn
Reece, Tenn.
Richards
Rogers, Okla.
Romjue
Sabath
Sacks
Sasser
Schulte
Schwert
Secrest
Sheppard
Smith, Conn.
South
Sparkman
Spence
Starnes, Ala.
Stegall
Tarver
Taylor, Tenn.
Tenerowicz
Terry
Thomas, Tex.
Thomason
Vincent, Ky.
Vinson, Ga.
Voorhis, Calif.
Wallgren
Walter
Ward
Warren
Weaver
Welch
Whittington
Williams, Mo.
Wood
Zimmerman

ANSWERED "PRESENT"—2

Burdick Oliver

NOT VOTING—70

Allen, Pa.
Anderson, Mo.
Andresen, A. H.
Andrews
Beam
Boykin
Brewster
Buck
Buckley, N. Y.
Burch
Caldwell
Casey, Mass.
Connery
Cooley
Curley
Delaney
DeRouen
Dies

Dirksen
Ditter
Eberharter
Elston
Faddis
Fish
Fitzpatrick
Fulmer
Gartner
Gavagan
Grant, Ind.
Guyer, Kans.
Hartley
Hendricks
Hennings
Keller
Kelly
Kennedy, Martin

Keogh
Knutson
Lesinski
McArdle
McReynolds
Maas
Maciejewski
Mahon
Mansfield
Mitchell
Monroney
Myers
Pfeifer
Pierce, N. Y.
Plumley
Randolph
Risk
Robinson, Utah

Scrugham
Shanley
Shannon
Sirovich
Smith, Ill.
Smith, Wash.
Smith, W. Va.
Snyder
Sommers, N. Y.
Sullivan
Sumners, Tex.
Sweeney
Taylor, Colo.
Tolan
Treadway
White, Idaho

So the committee amendment was agreed to.
The Clerk announced the following pairs:
On this vote:

Mr. Dirksen (for) with Mr. Smith of Washington (against).
Mr. Pierce of New York (for) with Mr. Cooley (against).
Mr. Fish (for) with Mr. McReynolds (against).
Mr. Elston (for) with Mr. Mahon (against).
Mr. Andrews (for) with Mr. Fitzpatrick (against).
Mr. Ditter (for) with Mr. Burdick (against).
Mr. Hartley (for) with Mr. Keogh (against).
Mr. Treadway (for) with Mr. Oliver (against).
Mr. Gartner (for) with Mr. Martin J. Kennedy (against).
Mr. Knutson (for) with Mr. Pfeifer (against).
Mr. August H. Andresen (for) with Mr. Gavagan (against).
Mr. Grant of Indiana (for) with Mr. Delaney (against).
Mr. Guyer of Kansas (for) with Mr. Somers of New York (against).
Mr. Maas (for) with Mr. Sullivan (against).
Mr. Boykin (for) with Mr. Curley (against).

General pairs until further notice.

Mr. Mansfield with Mr. Brewster.
Mr. Fulmer with Mr. Plumley.
Mr. Caldwell with Mr. Risk.
Mr. Shanley with Mr. Faddis.
Mr. Keller with Mr. Randolph.

Mr. BURDICK. Mr. Speaker, I voted "no" on this roll call. I have a pair with the gentleman from Pennsylvania, Mr. DITTER. Therefore I withdraw my vote of "no" and answer "present."

Mr. OLIVER. Mr. Speaker, I have a live pair with the gentleman from Massachusetts, Mr. TREADWAY, who is, unavoidably detained at this time. I voted "no." Had Mr. TREADWAY been here he would have voted "yea." I withdraw my vote of "no" and answer "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question now is on the third reading of the Senate bill.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a concurrent resolution of the House of the following title:

H. Con. Res. 28. Concurrent resolution authorizing the Committee on Appropriations of the House to have printed, with illustrations, 2,000 additional copies of the hearings held before a subcommittee of said committee, pursuant to the resolution (H. Res. 130) directing an investigation and study of the Works Progress Administration as a basis for legislation.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill H. R. 6260, entitled "An act making appropriations for the fiscal year ending June 30, 1940, for civil functions administered by the War Department, and for other purposes."

The message also announced that the Senate had passed a concurrent resolution of the following title, in which the concurrence of the House is requested:

S. Con. Res. 20. Concurrent resolution to pay the expenses incident to the reception of the King and Queen of Great Britain at the Capitol on June 9, 1939.

LOANS TO OFFICERS OF MEMBER BANKS

Mr. STEAGALL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill S. 1886, to extend to June 16, 1942, the period within which certain loans to executive officers of member banks of the Federal Reserve System may be renewed or extended, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference asked by the Senate.

The SPEAKER. The gentleman from Alabama asks unanimous consent to take from the Speaker's table the bill S. 1886, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate. Is there objection?

There was no objection.

The Chair appointed the following conferees on the part of the House: Mr. STEAGALL, Mr. WILLIAMS of Missouri, Mr. SPENCE, Mr. WOLCOTT, and Mr. GIFFORD.

EXPENSES INCIDENT TO RECEPTION OF KING AND QUEEN OF GREAT BRITAIN

Mr. WARREN. Mr. Speaker, I ask unanimous consent for the immediate consideration of Senate Concurrent Resolution 20.

The Clerk read as follows:

Senate Concurrent Resolution 20

Resolved by the Senate (the House of Representatives concurring), That the expenses incurred by the joint committee appointed pursuant to Senate Concurrent Resolution 17, Seventy-sixth Congress, to arrange for the reception of Their Majesties the King and Queen of Great Britain in the rotunda of the Capitol on June 9, 1939, shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the joint committee.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate concurrent resolution was agreed to.

EXTENSION OF REMARKS

Mr. BOREN. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an editorial from the Tulsa World.

The SPEAKER. Is there objection?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. MAY. Mr. Speaker, I ask unanimous consent that all Members of the House may have 5 legislative days in which to extend their own remarks on the bill (S. 1796) to amend the Tennessee Valley Authority Act of 1933.

The SPEAKER. Is there objection?

There was no objection.

FEDERAL FOOD, DRUG, AND COSMETIC ACT

Mr. LEA, from the Committee on Interstate and Foreign Commerce, submitted a conference report and statement on the bill (H. R. 5762) to provide for temporary postponement of the operations of certain provisions of the Federal Food, Drug, and Cosmetic Act, for printing under the rule.

EXTENSION OF REMARKS

Mr. THOMASON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. BOEHNE. Mr. Speaker, I ask unanimous consent to extend my own remarks and include excerpts from the CONGRESSIONAL RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD on the editorial endorsement of the National Youth Administration.

The SPEAKER. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Is there objection?

There was no objection.

FARM SECURITY PROGRAM MUST BE CONTINUED

Mr. JOHNSON of Oklahoma. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection?

There was no objection.

Mr. JOHNSON of Oklahoma. Mr. Speaker, I arise at this late hour to call attention to an article appearing in the Washington Post for last Friday, June 9. This article states that it is reported that the appropriations subcommittee handling the emergency relief appropriation bill was considering a reduction of \$40,000,000 in funds to be made available for the Farm Security Administration for the coming fiscal year. Since that time it has been rumored that a drastic and unreasonable reduction has actually been recommended by the subcommittee on appropriations. Just the exact amount of the proposed cut appears to be a deep, dark secret and will not be definitely known until tomorrow. But I feel from reports I have that a proposal of a drastic and uncalled-for slash may be on its way.

This reported action has caused me deep concern, because the sum recommended for the Farm Security Administration

already has been cut by the Budget Bureau by about one-third below its appropriation for the current fiscal year, and a further drastic reduction would virtually wipe out its rehabilitation program.

It seems to me that this House could hardly make a more serious mistake, or practice a more disastrous kind of false economy. The Farm Security Administration is the only agency to which needy and destitute farm people can turn for help. It performs the same service for them which W. P. A. offers to the urban unemployed. No program of the Government has been more free from criticism of any kind, and I think that there can be no argument that the Farm Security Administration has been one of the most outstandingly successful achievements of the New Deal.

Members of Congress know that the Farm Security Administration has been seriously criticized. I might add that in my judgment much of the criticism has not been and cannot be justified. It is easy to criticize. Anyone can do that. It seems to be common practice, a popular pastime, of some Members to arise on this floor, and castigate and ridicule certain departments of Government. That was done when the farm tenant bill was before this body for consideration recently. Undoubtedly it will be done in the future. But it is one thing to criticize and ridicule, and it is another to do a constructive job. That is what the Farm Security is now doing. I make no apology for supporting the continuation of the great humane program of the Farm Security Administration. [Applause.]

This agency has set a record for economy and effectiveness which has not been surpassed by any organization in the Government.

It deserves the support of every man in this House who is interested in saving the taxpayer's money, because it is at least one agency of Government that is getting people off relief and back on their own feet. It is giving many distressed farmers, some of whom have faced actual want and starvation, a new lease on life. The Farm Security Administration has helped more than 750,000 families to escape from the relief rolls—and it has done it at an annual net cost of less than \$75 per family, including all losses and administrative costs. This is far cheaper than any other kind of aid that has yet been devised by any agency, State or Federal.

This low cost of this great program has been possible because the Farm Security Administration's program is largely self-liquidating. Instead of carrying destitute families indefinitely on relief, F. S. A. makes them small loans, to buy the seed and tools and livestock they need to make themselves self-supporting on the land. Bear in mind, too, that these loans are available only to families which are such poor credit risks that they cannot borrow money on reasonable terms from any other source, public or private. About the only assets that most of these people had aside from several ill-clad and undernourished children, were character and honesty. Nevertheless, the Farm Security Administration has shown an amazingly high rate of repayments on its loans. It has advanced about \$320,000,000, most of which will not fall due for 4 or 5 years. I am advised, however, that already \$83,000,000 has been paid back into the Federal Treasury. Here is another statement that may surprise you. There is every prospect, so I am told, that at least 80 percent of all F. S. A. loans will be repaid, and most of the losses are the direct result of natural disasters, such as flood and drought. This, I submit, is a mighty fine record.

Another reason for the Farm Security Administration's excellent financial record is its consistent effort to cut administrative costs to an absolute minimum. During the last 3 years it has made a drastic reduction in its Washington pay roll, cutting it from a peak of 3,700 to about 800 persons engaged on the emergency program at the present time. This is a record that other departments, boards, and bureaus might well emulate. Its county supervisors constitute one of the poorest-paid groups in the entire Federal service, and I do not know of any group which has worked more energetically, enthusiastically, or efficiently.

Undoubtedly the best evidence of their success is the rapid and steady progress which has been made by F. S. A. bor-

rowers. These needy farm people have profited not only from their loans, but possibly more from the advice and guidance they have received in sound farming practices. Members may be surprised to know that on the average, these families have increased their net worth—over and above all debts—by more than 37 percent since they came on the F. S. A. program, adding millions of dollars of purchasing power to the wealth of their communities. They have tripled their production of food for home consumption, and a majority of such families have made a marked improvement in diet and living standards. Most important of all, they are becoming productive, self-supporting citizens.

In the Sixth Congressional District of Oklahoma, which I have the honor to represent, 2,838 needy and low-income families have received aid from the Farm Security Administration in the last 4 years. Loans averaging about \$440 each have been all these people needed to put them back on the road to independence; and already they have paid back more than \$334,000 of the money they borrowed, although a large share of it has not yet fallen due. At this time the southwestern section of Oklahoma is in the throes of a terrible drought. In certain sections small grain crops will not be cut or harvested. A serious and drastic cut in this far-reaching program would be a tragedy so far as thousands of needy farm families are concerned. Moreover, with the help of F. S. A. farm specialists, the average borrower in the district I represent has more than doubled his net worth, increasing his unencumbered assets by more than \$400, or nearly as much as his total loan. That means that considerably more than \$500,000 of new wealth has been created in my part of Oklahoma by people who were hanging on the borderline of relief just a few years ago.

In addition to its rehabilitation loans, the Farm Security Administration has helped nearly 500 debt-burdened farmers in my district to work out friendly, voluntary adjustments of their obligations with their creditors. As a result, their debts have been scaled down by about \$350,000, or 21 percent, and many families have been rescued from bankruptcy at little or no cost to the Government. Moreover, a total of \$43,741 in back taxes has been paid to our local governmental agencies as a direct result of this debt-adjustment work.

In Oklahoma alone more than 6,000 farm families which were eligible and in urgent need of F. S. A. loans had to be turned away last year because the agency simply did not have the money to help them. In the Nation as a whole, I understand that there are nearly 400,000 such cases.

If we continue to refuse help to these people, most of them will be forced to drift into the cities in search of some kind of relief. It seems obvious to me that the sensible, practical, and economic thing would be to help these folks get a new foothold on the land, where they can become self-supporting, rather than to add them to the already overwhelming burden on the relief rolls. We know it can be done—and at very small cost to the Government—because the rehabilitation program has proved its success over a 4-year period.

In conclusion, Mr. Speaker, let me remind Members that the money which the President has requested for the rehabilitation program is not an outright expenditure, like most relief funds, but an investment, since most of it will be repaid into the Federal Treasury. Moreover, it is one of the most profitable investments this country could possibly make, because it relieves the pressure on W. P. A. and the other relief agencies. May I express the hope that the Congress will not make the serious mistake of reducing this appropriation below the sum requested by the President.

EXTENSION OF REMARKS

Mr. MASON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein a statement by Howard A. Seitz before the Committee on Immigration and Naturalization.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. CANNON of Missouri. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a statement by Colonel Harrington, of the P. W. A., made before the committee this morning, and include two extra pages.

The SPEAKER. Is there objection?

There was no objection.

Mr. MURRAY. Mr. Speaker, I ask unanimous consent to extend my own remarks and include therein a letter and resolution of the International Brotherhood of Paper Makers.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include my remarks made before a Senate committee.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. Under special order of the House heretofore made, the gentleman from Michigan [Mr. HOFFMAN] is recognized for 30 minutes.

THE FILIBUSTER BY THE NATIONAL LABOR RELATIONS BOARD

Mr. HOFFMAN. Mr. Speaker, one of the neatest and most effective filibusters ever put on at the Nation's Capital is now being conducted by members of the National Labor Relations Board, appearing before the committees which have under consideration the amendment of the National Labor Relations Act.

Although more than 70 percent of the people have declared and are demanding that Congress should amend this law, which is so unjust that it has added greatly to our unemployment problem, Congress pusillanimously—and I use that word advisedly because recently the Speaker ruled that it was proper language to describe the action of one of the great committees of the House—sits here day after day, week after week, and refuses to yield to the people's demands.

The position of the Board is readily understood, for it is quite evident that, if the act be amended, the jobs of at least some of those now employed in administering the act will come to an end, and the longer the Board and its members can delay the amendment of the law, the more assured are they of their present positions.

Again, the result of the filibuster is in the interests of John L. Lewis and his C. I. O., and it is gradually but very effectively injuring the A. F. of L.

As long as this law can be retained in its present form, the C. I. O. and its affiliates can continue their organizing drives, assured that by delay and by the interpretations given the act by the Board, their efforts have greater prospect of success. In fact, this act as administered has enabled the C. I. O. and its affiliates to force into its ranks thousands upon thousands of dues-paying members who have, by the action of the C. I. O. and unhindered by the Board, been deprived of their civil liberties.

The committees considering the amendment of the Wagner Act meet but 3 or 4 days each week. They are not to be criticized for this, for their duties are arduous. But it is very evident to one who has watched the activities of the Board and of the committees that there is little, if any, prospect that the House will be permitted to consider the amendment of this act.

The remaining time of this session of Congress is very short. They have heard a few witnesses, chiefly Members of Congress who have offered amendments. Many other witnesses have been present and ready to testify. There have been among them employers, labor groups who have thought themselves victims of injustices, and representatives of farm groups who fear an upset of their labor situations in addition to the difficulties they are already facing.

But most of these witnesses have had no opportunity to testify. The reason for this is the fact that the committees had hardly got going when Chairman Madden, of the Labor Board, presented himself and asked to be heard. Mr. Madden wanted to take up in detail every amendment that had been proposed. He did this with vast deliberation. He allowed himself to drift far afield in his dissertations. He presented two briefs, each of some 60 pages. He insisted on reading these in detail and encouraged discussions whenever possible. He occupied the time of the committees day after day, week after week.

No sooner had Mr. Madden finished than Mr. Fahy, chief counsel of the Board, appeared. He, too, had a brief that

he wanted to present. It was more than 100 pages in length. It went over the same ground that had been covered by Mr. Madden. He read from it day after day. He encouraged questions and discussion. He proceeded with the utmost deliberation. In the House committee, Madam Chairman Norron called Mr. Fahy's attention to the passing of time, emphasized the fact that the session was drawing toward a close, suggested that the counsel file the remainder of his brief and assured him that the members of the committee would give it the utmost consideration. She got nowhere with Mr. Fahy. He begged to be given more time, gave assurance of hurrying along and promised to skip certain portions of his brief. But days passed and he continued to read and indulge in long-winded digressions. When, finally, he closed, he asked permission to answer every future witness produced.

Very little of the important evidence that should be heard by these committees is finding a way into the record. There is little chance that it will. The public will not be given the facts upon which to base judgment. A compact, well-organized and skillful filibuster on the part of the Labor Board is making this impossible.

And this filibuster is being conducted by Board members on Government time. Further, these are the same Board members who have delayed decisions in some cases for 1 or 2 years or more, on the theory that they are so burdened with work that they cannot get it done.

What they fail to realize is that their filibustering tactics are apparent to all Members of Congress. A back-to-work movement for Board members is badly needed. [Applause.]

ENROLLED JOINT RESOLUTION SIGNED

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a joint resolution of the House of the following title, which was thereupon signed by the Speaker:

H. J. Res. 322. Joint resolution making an additional appropriation for the control of outbreaks of insect pests.

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2154. An act to modify the provisions of section 14 of the act of June 30, 1834, and section 10 of the act of June 22, 1874, relating to the Indians.

JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 322. Joint resolution making an additional appropriation for the control of outbreaks of insect pests.

ADJOURNMENT

Mr. RAYBURN. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 26 minutes p. m.) the House adjourned until tomorrow, Wednesday, June 14, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON THE JUDICIARY

On Wednesday, June 14, 1939, beginning at 10 a. m., there will be continued a public hearing before the Committee on the Judiciary on the bill (H. R. 6369) to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplemental thereto; to create a Railroad Reorganization Court; and for other purposes.

There will be continued a public hearing before Subcommittee No. 3 of the Committee on the Judiciary on Wednesday, June 21, 1939, at 10 a. m., on the bill (H. R. 2318) to divorce the business of production, refining, and transporting of petroleum products from that of marketing petroleum products. Room 346, House Office Building.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

On Thursday, June 15, 1939, on House Joint Resolution 194, investigate conditions pertaining to lascar seaman (SIROVICH).

On Friday, June 16, 1939, on H. R. 5611, district commanders' bill (U. S. Coast Guard).

On Tuesday, June 20, 1939, on H. R. 4307 (committee print), to extend the provisions of the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933, to all common carriers by water in interstate commerce, and for other purposes.

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization in room 445, House Office Building, at 10:30 a. m. Wednesday, June 14, 1939, for the consideration of H. R. 5838 (KRAMER) and unfinished business.

COMMITTEE ON IRRIGATION AND RECLAMATION

There will be a meeting of the Committee on Irrigation and Reclamation, at 10 a. m. Thursday, June 15, 1939, for the consideration of H. R. 6773.

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs, in the committee rooms, the Capitol, at 10 a. m. Thursday, June 15, 1939, for the consideration of H. R. 5690, "Explorations of Francisco Vasquez de Coronado"; House Joint Resolution 291, "International Exhibition of Polar Exploration"; House Joint Resolution 315, "Claims of American nationals against the Government of the Union of Soviet Socialist Republics"; and House Joint Resolution 320, "International Statistical Institute."

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

845. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated June 3, 1939, submitting a report, together with accompanying papers and an illustration, on reexamination of Silver Lake Harbor, N. C., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted March 17, 1939 (H. Doc. No. 325); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

846. A letter from the secretary, General Anthony Wayne Memorial Commission, transmitting a report of the reorganization meeting of the General Anthony Wayne Commission held Wednesday, May 17, 1939; to the Committee on the Library.

847. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1939, submitting a report, together with accompanying papers and an illustration, on reexamination of Back Bay of Biloxi and Bayou Bernard, up to the town of Handsboro, Miss., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted December 8, 1937 (H. Doc. No. 326); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

848. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1939, submitting a report, together with accompanying papers and an illustration, on reexamination of Intracoastal Waterway from Cape Fear River, N. C., to St. Johns River, Fla., with a view to constructing an anchorage basin at or near Myrtle Beach, requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted April 12, 1938 (H. Doc. No. 327); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

849. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1939, submitting a report, together with accompanying papers and an illustration, on reexamination of Sandusky Harbor, Ohio, requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted January 24, 1939 (H. Doc. No. 328); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

850. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1939, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Keehi Lagoon, Honolulu, for a seaplane harbor, authorized by the River and Harbor Act approved August 26, 1937 (H. Doc. No. 329); to the Committee on Rivers and Harbors and ordered to be printed, with two illustrations.

851. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1939, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Indian River, Del., authorized by the River and Harbor Act approved June 20, 1938 (H. Doc. No. 330); to the Committee on Rivers and Harbors and ordered to be printed, with two illustrations.

852. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1939, submitting a report, together with accompanying papers and an illustration, on reexamination of Sitka Harbor, Alaska, requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted September 26, 1938 (H. Doc. No. 331); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

853. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1939, submitting a report, together with accompanying papers and an illustration, on reexamination of Kodiak Harbor, Alaska, requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted January 24, 1939 (H. Doc. No. 332); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

854. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1939, submitting a report, together with accompanying papers and an illustration, on reexamination of Dauphin Island Bay and Channel connecting Dauphin Island Bay with Mobile Bay, requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted November 23, 1937 (H. Doc. No. 333); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

855. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1939, submitting a report, together with accompanying papers and an illustration, on reexamination of Beaufort Harbor, N. C., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted March 16, 1939 (H. Doc. No. 334); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

856. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1939, submitting a report, together with accompanying papers and an illustration, on reexamination of Brazos Island Harbor, Tex., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted January 24, 1939 (H. Doc. No. 335); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

857. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army,

dated May 25, 1939, submitting a report, together with accompanying papers and an illustration, or a preliminary examination and survey of channel from main channel of the Intracoastal Waterway to the mainland at Sebastian, Fla., authorized by the River and Harbor Act approved August 26, 1937 (H. Doc. No. 336); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

858. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1939, submitting a report, together with accompanying papers and illustrations, on reexamination of Chocolate Bayou, Bastrop Bayou, and Oyster Creek, Tex., requested by resolutions of the Committee on Rivers and Harbors, House of Representatives, adopted March 2, 1939 (H. Doc. No. 337); to the Committee on Rivers and Harbors and ordered to be printed, with three illustrations.

859. A letter from the Acting Secretary of the Interior, transmitting the draft of a proposed resolution to approve the action of the Secretary of the Interior in deferring the collection of certain irrigation charges against lands under the Blackfeet Indian irrigation project; to the Committee on Indian Affairs.

860. A letter from the president of the Board of Commissioners, District of Columbia, transmitting the draft of proposed legislation authorizing the Commissioners of the District of Columbia to settle claims and suits of the District of Columbia; to the Committee on the District of Columbia.

861. A letter from the Comptroller General of the United States, transmitting a report and recommendation to the Congress concerning the claim of Edith Easton and Alma E. Gates against the United States; to the Committee on Claims.

862. A letter from the Acting Secretary of the Treasury, transmitting the draft of a bill to authorize the construction of new buildings for the Navy Department in the District of Columbia; to the Committee on Public Buildings and Grounds.

863. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the Department of the Interior for the fiscal year 1939 in the amount of \$2,000, together with drafts of proposed provisions pertaining to existing appropriations (H. Doc. No. 338); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. JARMAN: Committee on Printing. House Concurrent Resolution 28. Concurrent resolution authorizing the Committee on Appropriations of the House to have printed, with illustrations, 2,000 additional copies of the hearings held before a subcommittee of said committee, pursuant to the resolution (H. Res. 130) directing an investigation and study of the Works Progress Administration as a basis for legislation (Rept. No. 827). Ordered to be printed.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 6039. A bill to amend laws for preventing collisions of vessels, to regulate equipment of certain motor-boats on the navigable waters of the United States, and for other purposes; with amendment (Rept. No. 828). Referred to the Committee of the Whole House on the state of the Union.

Mr. POAGE: Committee on Immigration and Naturalization. H. R. 6724. A bill to provide for the prompt deportation of aliens engaging in espionage or sabotage, alien criminals, and other undesirable aliens; without amendment (Rept. No. 829). Referred to the Committee of the Whole House on the state of the Union.

Mr. KRAMER: Committee on Immigration and Naturalization. H. R. 6381. A bill for the admission to citizenship of aliens who came into this country prior to February 5, 1917; without amendment (Rept. No. 830). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CROWE:

H. R. 6809. A bill to authorize waiver by the President of local cooperation as to 50 percent of costs of lands, easements, and rights-of-way for any levee or floodwall project; to the Committee on Flood Control.

By Mr. VINSON of Georgia:

H. R. 6810. A bill prescribing procedure to be followed in case the Secretary of the Navy receives but one proposal for the construction of a ship or ships; to the Committee on Naval Affairs.

By Mr. DINGELL:

H. R. 6811. A bill providing for the promotion of employees in the Customs field service; to the Committee on Ways and Means.

By Mr. KITCHENS:

H. R. 6812. A bill to prevent fraudulent insurance schemes, contracts, and practices, and use of mails in furtherance thereof and violation of State insurance laws; to the Committee on the Post Office and Post Roads.

By Mr. WEAVER:

H. R. 6813. A bill to accept the cession by the States of North Carolina and Tennessee of exclusive jurisdiction over the lands embraced within the Great Smoky Mountains National Park, and for other purposes; to the Committee on the Public Lands.

By Mr. AUSTIN:

H. R. 6814. A bill to amend section 186 of the Criminal Code, as amended; to the Committee on the Post Office and Post Roads.

By Mr. SMITH of Washington:

H. J. Res. 325. Joint resolution to provide for negotiations with the Government of Canada to arrange a modification of the trade agreement entered into November 17, 1938; to the Committee on Ways and Means.

By Mr. TAYLOR of Colorado:

H. J. Res. 326. Joint resolution making appropriations for work relief, relief, and to increase employment by providing loans and grants for public-works projects, for the fiscal year ending June 30, 1940; to the Committee on Appropriations.

By Mr. LEMKE:

H. Res. 221. Resolution to make House Joint Resolution 137, a joint resolution to provide for staying foreclosure by Government and Government-controlled institutions holding mortgages on farms and homes for a period of 2 years, a special order of business; to the Committee on Rules.

H. Res. 222. Resolution to make H. R. 3370, a bill to provide for liquidating and refinancing of existing mortgages on homes in cities and towns, a special order of business; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to consider their Act 214, in its regular session of 1939, with reference to granting franchise for the manufacture, maintenance, distribution, and supply of electric current for light and power; to the Committee on the Territories.

Also, memorial of the Legislature of the State of California, memorializing the President and the Congress of the United States to consider their Senate Joint Resolutions Nos. 19 and 23, with reference to constructing a breakwater and port of refuge at Pillar Point, San Mateo County, and for the control of the mud flow of Mount Shasta; to the Committee on Rivers and Harbors.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BARRY:

H. R. 6815. A bill for the relief of Mary R. Condit; to the Committee on Claims.

By Mr. GORE:

H. R. 6816. A bill granting a pension to Lettie N. Cooper; to the Committee on Invalid Pensions.

By Mr. HEALEY:

H. R. 6817. A bill for the relief of Elesseos Antonion; to the Committee on Military Affairs.

By Mr. KENNEDY of Maryland:

H. R. 6818. A bill for the relief of Mary Pierce and John K. Quackenbush; to the Committee on Claims.

H. R. 6819. A bill for the payment of claims of the Fidelity Trust Co. of Baltimore, Md., and others; to the Committee on Claims.

By Mr. KING:

H. R. 6820. A bill for the relief of Mrs. Hama Torii Emerson; to the Committee on Immigration and Naturalization.

By Mr. LEAVY:

H. R. 6821. A bill for the relief of Mary Boyd; to the Committee on Claims.

By Mr. McGEHEE:

H. R. 6822. A bill for the relief of Eliza Warren; to the Committee on Claims.

By Mr. RUTHERFORD:

H. R. 6823. A bill for the relief of Wilson A. Kramer; to the Committee on Military Affairs.

By Mr. SECREST:

H. R. 6824. A bill granting a pension to Laura McBride; to the Committee on Invalid Pensions.

By Mr. SEGER:

H. R. 6825. A bill for the relief of Mary Nouhan; to the Committee on Immigration and Naturalization.

By Mr. SPRINGER:

H. R. 6826. A bill granting a pension to Bessie Thorpe; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3703. By Mr. ASHBROOK: Petition of B. F. Koons, of Columbus, Ohio, and 30 others, endorsing House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3704. Also, petition of Elmer Foster, of Pleasant Valley, Ohio, and 30 others, endorsing House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3705. Also, petition of Eleanor A. Atha, of Newark, Ohio, and 30 others, endorsing House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3706. By Mr. BOLTON: Ten petitions of citizens of Ohio, urging favorable action on House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3707. By Mr. CURLEY: Petition of the New York County Lawyers Association, New York City, recommending the approval of House bill 4988, in relation to the liability of common carriers by railroads to their employees in certain cases; to the Committee on Interstate and Foreign Commerce.

3708. Also, petition of the New York County Lawyers Association, New York City, recommending approval of Senate bill 2245 and House bill 6051, which seek to prohibit the use of the mails for the solicitation of the procurement of divorces in foreign countries; to the Committee on the Judiciary.

3709. By Mr. HARRINGTON: Petition of the Methodist Ladies Society of Spencer, Iowa, signed by various citizens of Spencer, Iowa; also by citizens of Odebolt, Iowa, favoring support of such legislation as will intelligently and deliberately withhold our economic resources and war materials from

Japan's aggression in China, and other aggressor nations; to the Committee on Foreign Affairs.

3710. Also, petitions of Clara Scherner, John A. Schultz, Mrs. John H. Kemp, and Ole Finseth Woodbury and home, of Sioux City; also J. L. Larson, of Ute, all of the State of Iowa, favoring enactment of the improved General Welfare Act, thus relieving the suffering of our needy citizens over 60 years of age and providing prosperity for America and security for all at 60; to the Committee on Ways and Means.

3711. By Mr. HART: Petition of Local No. 16 of the Industrial Union of Marine and Shipbuilding Workers of America, urging an amendment to the Sherman Act to exclude labor organizations from any penalties included therein; to the Committee on the Judiciary.

3712. Also, petition of the Grand Lodge of the State of New Jersey, Order Sons of Italy in America, Newark, N. J., respecting neutrality legislation; to the Committee on Foreign Affairs.

3713. By Mr. HEALEY: Memorial of the General Court of Massachusetts, memorializing Congress in favor of the continuation of Works Progress Administration projects; to the Committee on Appropriations.

3714. By Mr. HINSHAW: Petition of Christine Little, of Pasadena, Calif., and 30 other residents of that city, urging the enactment of House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3715. By Mr. MARTIN J. KENNEDY: Petition of the New York Pharmaceutical Council, New York City, urging support of House bill 3838, the fair-trade bill for the District of Columbia; to the Committee on the District of Columbia.

3716. Also, petition of the United Federal Workers of America, Local No. 90, New York City, urging support of House bill 960, the Ramspeck bill; to the Committee on the Civil Service.

3717. By Mr. MICHAEL J. KENNEDY: Memorial of the Furriers Joint Council of New York, Locals 101, 105, 110, and 115, urging passage of the Casey bill; to the Committee on Appropriations.

3718. Also, memorial of W. P. A. Teachers Union, Local 453, of the American Federation of Teachers, protesting against the curtailment of adult education by the closing of various W. P. A. educational centers in New York City; to the Committee on Ways and Means.

3719. By Mr. KEOGH: Petition of the National League of District Postmasters of the United States, Washington, D. C., endorsing House bill 2209; to the Committee on the Post Office and Post Roads.

3720. Also, petition of the American Forestry Association, Washington, D. C., opposing the amended bill (H. R. 3794), for the establishment of the Kings Canyon Wilderness National Park; to the Committee on the Public Lands.

3721. Also, petition of the Newtown Creek Towing Co., New York City, opposing the Lea bill to regulate water transportation; to the Committee on Interstate and Foreign Commerce.

3722. Also, petition of the Atlantic States Shippers Advisory Board, New York City, opposing House bills 4862, 2531, 4307, and 9635 and ratification of the St. Lawrence Waterway treaty; to the Committee on Interstate and Foreign Commerce.

3723. Also, petition of the National Parks Association, Washington, D. C., concerning the Kings Canyon Wilderness National Park and dams and reservoirs; to the Committee on the Public Lands.

3724. Also, petition of Sika, Inc., New York City, concerning the Starnes bill for continuance of Public Works Administration; to the Committee on Appropriations.

3725. Also, petition of the Merchants' Association of New York, concerning Federal tax laws; to the Committee on Ways and Means.

3726. By Mr. McLAUGHLIN: Memorial of the Legislature of Nebraska, fifty-third session, legislative resolution No. 39, memorializing the Honorable F. F. Hill, Governor of the Farm Credit Administration, to defer payments on principal and interest on defaulted Federal land bank and land bank commissioner loans as to deserving farmers of the State of Nebraska; to the Committee on Agriculture.

3727. By Mr. PFEIFER: Petition of the Merchants' Association of New York, concerning revision of the Federal tax laws; to the Committee on Ways and Means.

3728. Also, petition of the National Parks Association, Washington, D. C., opposing House bill 3794, the amended Kings Canyon National Park bill; to the Committee on the Public Lands.

3729. Also, petition of the American Forestry Association, Washington, D. C., opposing House bill 3794, the amended Kings Canyon Wilderness National Park bill; to the Committee on the Public Lands.

3730. Also, petition of the Newtown Creek Towing Co., New York City, opposing the Lea bill to regulate water transportation; to the Committee on Interstate and Foreign Commerce.

3731. Also, petition of Sika, Inc., New York City, urging support and passage of the Starnes bill for the continuance of Works Progress Administration; to the Committee on Appropriations.

3732. Also, petition of the National League of District Postmasters in the United States, Washington, D. C., favoring consideration and passage of House bill 2209; to the Committee on the Post Office and Post Roads.

3733. By Mr. ROUTZOHN: Petition of 160 residents of the Third Congressional District of Ohio, requesting the Seventy-sixth Congress to enact the General Welfare Act (H. R. 5620, amended H. R. 11); to the Committee on Ways and Means.

3734. By Mr. SECCOMBE: Petition circulated by Mr. and Mrs. John Maschkevitz, Charles L. Walker, C. E. Taylor, William Shontz, Clara E. Roush, B. C. Sharrack, John B. Mulr, Mrs. Charles E. Oberle, Maude M. Gribble, Joseph M. Griffin, Mrs. F. R. Hall, C. W. Farger, J. E. Bailey, Carrie Clark, Sarah Culler, and Howard Downs, all of Canton, Ohio, and signed by approximately 5,000 residents of Canton, urging the enactment by Congress of the General Welfare Act (H. R. 5620, formerly H. R. 11); to the Committee on Ways and Means.

3735. By Mr. TINKHAM: Resolutions memorializing Congress in favor of the granting of full United States citizenship to aliens who served in the Military or Naval Establishments of the United States during the World War and were honorably discharged from such service; to the Committee on Immigration and Naturalization.

3736. By the SPEAKER: Petition of the Hamakua Civic Club, Honokaa, Hawaii, petitioning consideration of their resolution with reference to a bill which provides for the reapportionment of the membership of the House of Representatives of the Legislature of Hawaii, introduced in the Congress of the United States by Hon. SAMUEL WILDER KING; to the Committee on the Territories.

3737. Also, petition of the Workers' Alliance, Local W. 483, San Francisco, Calif., petitioning consideration of their resolution with reference to Works Progress Administration Deficiency Act, a clause barring noncitizens from Works Progress Administration employment; to the Committee on Ways and Means.

3738. Also, petition of Charles Bruggman, of San Francisco, Calif., petitioning consideration of their resolution with reference to House Joint Resolution 266, the Works Progress Administration appropriation; to the Committee on Appropriations.

3739. Also, petition of the General Federation of Women's Clubs, Nevada City, Calif., petitioning consideration of their resolution with reference to national parks; to the Committee on the Public Lands.